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**THE PSYCHOLOGICAL CONTRACT AND ORGANISATIONAL
IDENTIFICATION IN CALL CENTRES**

by

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Employment Relations

Faculty of Management

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ABSTRACT

The world of work and the labour market has been changing. As the world's economy continues to go through turbulent times, the employment relationship as we used to know it continues to evolve. As a consequence, more and more employees are on flexible contracts, organisational structures are leaner, employees are expected to do more with less and the traditional jobs can no longer be guaranteed by employers. Employers need to harness the full potential of their employees in order to remain competitive. In order to get the most out of their workforce, employers need to understand the psychological bonds that sustain the employment relationship, especially during turbulent times. As such, this study investigates the relationship between the psychological contract and organisational identification in call centres.

The study also explores whether an employee's employment contract type has a moderating role on the relationship between the psychological contract and organisational identification. From a labour relations perspective, the study examines the possible implications of the introduction of amendments to labour laws that regulate the practices of employment services, also known as labour brokers.

The study was a quantitative cross-sectional field design. The sample consisted of employees working in a South African call centre setting ($N=195$) who were either on permanent or temporary employment contracts. The relationship between the constructs of the psychological contracts and organisational identification were investigated using two scales.

The study confirmed the relationship between the psychological contract and organisational identification in the call centre. Contrary to some past research findings and literature, the type of employment contract that the sample profile held was of little or no consequence to their perceptions of the psychological contract, their identification with the employer, and the relationship between the psychological contract and organisational identification. The findings point to the need for workplace management and Human Resources (HR) practitioners to pay increased attention to the management of beliefs regarding mutual obligations.

The contribution of this study is threefold. There have not been many studies conducted on call centres within the South African context. Secondly, the results of this study will add to the available literature on the dynamics of the employment relationship in call centre settings. Thirdly, not much research has focused on how an employee's contract status may influence their exchange relationship with the employer.

STATEMENT

I certify that the dissertation submitted by me for the degree Masters in Philosophy (Employment Relations) at the University of Johannesburg, is my independent work and has not been submitted by me for a degree at another university.

Definite Mutendi

31 March 2017



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CHAPTER 1: INTRODUCTION AND BACKGROUND OF THE STUDY

1.1. Introduction

Various changes have taken place in the world of work over the past decade and this trend continues to grow (Chartered Institute of Personnel Development (CIPD, 2010)). This ongoing change and disequilibrium characterises the current state of most businesses (Jovanovic, 2015; Malik & Khalid, 2016; Manzoor, 2016). More employees are on non-permanent job contracts, organisations are operating on lean structures in order to produce more with less, and the standards for service delivery are on the increase as customers become more demanding (CIPD, 2010). It is imperative that businesses keep up with the pace of changes in their operating environments as customer demographics, technologies, products and services continue to evolve at a faster pace (Jovanovic, 2015). In addition, the advent of the global economic downturn in 2008 is testament to the fact that the current business environment has increasingly been characterised by uncertainty and instability to the extent that even large corporations, should they fail to adapt their structures quickly, face bankruptcy as an imminent reality (Buta & Burciu, 2014).

The workplace has also witnessed a significant increase in the speed of work due to technological advances. Traditional employee values have changed, flexibility and individualism have grown, and as a consequence traditional employment relations have been challenged (Chaudhry & Song, 2014; Guest, 2004). As a result, an organisation's workforce is increasingly becoming more essential to the performance of an organisation, and as such new people management strategies are needed (CIPD, 2010).

The abovementioned changes have led many to recognise that employees are a valuable asset among others to their employer (Malik & Khalid, 2016). Increasingly employees are becoming the drivers of a business's success, and for an organisation to do well, it requires the ability to get the most out of its workforce (CIPD, 2010). However, dispensing guilt, shame and fear into employees as a strategy of getting their contribution have ceased to be reliable levers. Instead, employees have to willingly tender their contribution (CIPD, 2010). In call centre work environments, more often than not employees have limited influence on how their work is done. Below is a brief outline of some traits that characterise work in call centre settings.

The extensive surveillance and monitoring of employees, limited scope of responsibilities assigned to each employee and minimal job discretion define call centre work (Deery, Iverson & Walsh, 2002). The use of temporary labour is also a prominent feature of call centres (De

Grip, Hoevenberg & Willems, 1997). Common challenges born of the aforementioned dynamics within call centres include high staff turnover, elevated levels of absence from work, and impaired commitment and motivation (Cross, Barry & Caravan, 2008). Given the extensive surveillance and monitoring of employees within call centres in the pursuit of high service standards, there may be a failure to consider other important factors that have bearing on the employment relationship.

In the constantly changing world of work, theories that provide some insights into these changes and their consequences on the employee-employer relationship have become important (Guest, 2004). Two frameworks can provide such analyses into the changing employment relationships. These are the psychological contract and organisational identification frameworks that will be introduced briefly below.

Modern organisations are more likely to succeed if their employees consent to playing a part in realising their goals (Rousseau, 1995). For an organisation to get the most out of its workforce, it has to know the expectations of its employees from their work and their employer (CIPD, 2010). The psychological contract is one framework that offers a lens through which employee expectations, attitudes, priorities and all other dimensions that are known to influence employees in the workplace can be understood (CIPD, 2010). It is built around the premise of a fundamental human notion of reciprocity (Sverdrup, 2012). The psychological contract is defined as "...the individual beliefs, shaped by the organisation, regarding terms of an exchange agreement between individuals and their organisation" (Rousseau, 1995, p.9).

The expectations referred to above are not always explicit or defined as is the case in a legal contract. These psychological contract expectations may evolve over time as employees accumulate experience, conditions of employment change and expectations of employees are re-evaluated (Armstrong, 2006). Employees expect to receive fair treatment, being afforded opportunities for career development, equitable compensation, as well as to be assigned work that allows one to utilise their skills and abilities (Armstrong, 2006). On the other hand, loyalty, commitment, enhancing the organisational image in all interactions with external stakeholders and investing pronounced efforts on behalf of the organisation are some of the expectations that employers may have of their employees (Armstrong, 2006).

The psychological contract can also be interpreted as a metaphoric representation of workplace dynamics that brings to the fore factors in the employment relationship that are often ignored. It focuses on people rather than technology and also highlights the changing employment relationship between employees and their employers (CIPD, 2010).

The organisational identification theory is another framework that shows the important shifts in the relationship between people and their employers, and this framework will be briefly discussed below.

Positive employee-employer relationships are built through an undertaking to understand the processes through which employees incorporate their employer's identity into their own identity (Zagenczyk, Gibney, Few & Scott, 2011). Identification in general is an intrinsic process in all social beings, and to organisations it is a fundamental task (Pratt, 1998). The need for a sense of personal safety, self-worth, belonging, and the aspiration to acquire personal meaning are just some of the factors that motivate individuals to identify with social groups (Pratt, 1998). While there are varying definitions of identification, most conceptualisations of the framework concur that it involves the process where an individual sees the identity of another as a reflection of their own. Organisational identification in particular occurs when an employee partly or fully defines one's self through integrating their organisation's belief system or identity into their own (Albert et al., 1998; Pratt, 1998).

While this dynamic is commonly referred to as organisational identification, others also refer to it as 'psychological bonds' between the employee and their employer (Fuchs, 2012). Organisational identification is therefore a critical vehicle through which organisations can improve their overall functioning and performance. As a result of the abovementioned factors, the dynamics influencing organisational identification need to be understood.

1.2. Background of the study

Organisations are currently operating in an environment characterised by turbulence and ongoing change (Dhanpat & Parumasur, 2014; Jovanovic, 2015), instability and uncertainty (Buta & Burciu, 2014), fluctuating markets, restructurings and organisational downsizing, among others (Dhanpat & Parumasur, 2014). These changes have taken place over decades and continue to shape the new employment relationship between employees and employers in the workplace. Organisations are seeking to maximise their output with less resources, which implies that their human capital has to carry more weight in order to meet increasing work targets (CIPD, 2010). The standards and quality of services provided by organisations are increasing in order to keep up with customers whose demands are ever growing. The current business environment is more knowledge-based and human capital is becoming the cornerstone of organisational performance (CIPD, 2010). Call centres depict the changes referred to above and have become one of the key features of the current global economy (Chambel & Alcover, 2011).

In less than two decades, the establishment of the call centre industry has been profound

(Deery & Kinnie, 2004). The manner in which organisations conduct business and deliver services has been significantly transformed by the establishment of the call centre industry. Call centres now encompass various business services and have redefined the manner in which work is done. A description of the work done in call centres is provided by Bain and Taylor (2000) who assert that within call centre work environment, levels of control are significantly elevated and standardisation of processes are high. Work is problem-oriented, repetitious and generally provides very limited room for individual autonomy.

The need to save operating costs and maintain a competitive advantage has motivated some organisations to set up call centres through outsourcing of labour or sub-contracting labour (Fuchs, 2012). This has also been corroborated by Taylor and Bain (2004) who suggest that the evolving call centre industry has made significant strides towards practices of outsourcing and internalisation. The practice of contracting intermediary agencies in the provision of labour, commonly referred to in South Africa as labour broking, has been a subject of much debate. The definition of a labour broker, or individuals engaged in the provision of temporary employment services, is provided in section 198 of the Labour Relations Act (1995). The labour broker is defined as any person who receives payment for the provision or procurement of individuals who will engage in work activities for the client requiring any such services (Labour Relations Act, 1995). The individuals contracted to work for the client will in turn be remunerated by the labour broker. This practice has prompted the South African Government's Department of Labour to propose a package of amendments to the Employment Services Bill (2010) to provide for further regulations of temporary employment services, among other things. The proposed amendments were billed and have since been signed into law by the President of the Republic of South Africa.

According to a newsletter titled "Employment Services Bill", published by labour law firm Bowman Gilfillan (2014), the stated Bill sought to regulate the practices of labour brokers through the introduction of a licensing system that would in effect restrict the activities of such institutions to the work that is presently done by recruitment agencies. By inference, it is argued that this would potentially restrict the activities of labour brokers to being the conduit between work seekers and job opportunities, providing information on careers and being a referral system for prospective job seekers. It is suggested in the same commentary that the Bill would in effect criminalise operating as a labour broker without the acquisition of an operating license. It is suggested in some quarters that these new regulations implicitly seek to obliterate the practice of labour broking. This argument however seems to be subjective as this provision of the Bill is open to interpretation.

Other challenges addressed in the Amendment Bill concern the unfavourable treatment of

individuals employed on a temporary basis by both labour brokers and employers. Confines to what constitutes temporary work have also been stipulated in the Amendment Bill to refer to any work that is not in excess of a biannual period. Based on the abovementioned criteria set out in Bill, the unequal treatment of those employed on a temporary basis is considered unlawful. The Bill extends the same principles to individuals employed on a contract basis and outlaws any form of bias or unequal treatment of both individuals employed on a temporary and fixed contract basis in comparison to the permanently employed (Department of Labour, 2014).

Amendments to the Basic Conditions of Employment (2012) have also been proposed and signed into law. Partly motivated by the need to be in sync with International Labour Standards (Conventions 100 & 111), the Basic Conditions of Employment Amendment Bill (2012) has among other restrictions prohibited the practice that as a means to secure employment, employees are required by employers to make a payment. This practice has arguably been synonymous with labour brokers or temporary employment services. Mechanisms to enforce the implementation of this and other changes have been put in place with an increase in fines for employers that are found to be in contravention of these sections of the law (Department of Labour, 2014).

The practice of temporary employment, as well as the myriad changes in the workplace and the employment relationship in general, has resulted in lowered feelings of job security, less attachment and commitment to the organisation, and impaired levels of satisfaction and loyalty (Cooper 1999; Furnham, 2000). While there is acknowledgment that some employees within call centres may regard their work favourably, many find it mundane, mentally taxing (Holman, 2005) and stressful (Castanheira & Chambel, 2010; Holman, 2005). The demands placed on employees for meeting the expectations of customers often results in various types of strain on the employee that consequently prompts them to rethink their commitment to both their work and their employer (Pillay, Buitendach & Kanengoni, 2014). These experiences precipitate high levels of turnover (Holman & Wood, 2002; Michel, 2001) which is an indication of volatile employment relations. Research suggests that employee turnover in call centres is as high as 70 percent (Pierre & Tremblay, 2011). In this new work order characterised by permanent turbulence (Guest, 2004), there is a need for frameworks that can assist in the analysis of the continuously evolving employment relationship. The psychological contract is one such framework, for it provides a representation of important workplace features that are often neglected (CIPD, 2010). Instead of focusing on technology, it focuses on people and commands attention to the imperative dynamics in the employment relationship between employees and employers (CIPD, 2010).

1.3. Problem statement

The labour market is changing (CIPD, 2010). The manner in which organisations conduct business and deliver services has been transformed by the establishment and growth of call centres (Armistead, Kiely, Hole & Prescott, 2002). The use of temporary labour (Chambel & Alcover, 2011), high levels of surveillance (Armistead et.al., 2002), lowered feelings of job security, less attachment and commitment to the organisation, low levels of satisfaction and loyalty are common experiences found in call centres. The psychological contract and organisational identification serve as constructs that influence the abovementioned dynamics.

This research study sought to answer the following question:

What is the relationship between the psychological contract and organisational identification, and is this relationship moderated by the type of employment contract within a call centre setting?

Below is a diagrammatic representation of the framework that this study followed.

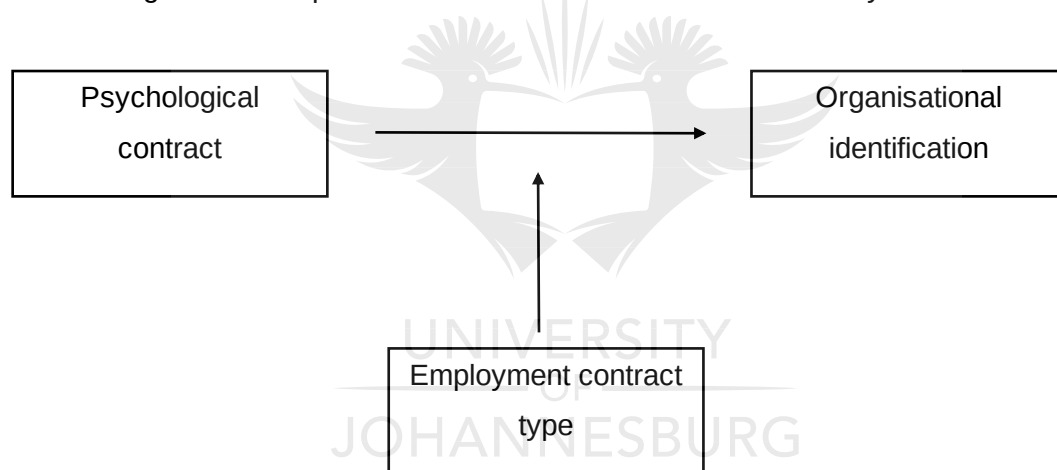


Figure 1: Research model

1.4. Research objectives

Based on the research problem stated above, three research objectives were formulated and these are listed as follows:

- To establish if there is a relationship between psychological contract and organisational identification within the call centre environment.
- To establish whether the relationship between psychological contract and organisational identification is moderated by the type of employment contract.
- To discuss the possible legislative implications of the Employment Services Bill (2010) on the employment relationship within the call centre environment.

1.5. Motivation for the study

There are several compelling reasons for investigating the relationship between the psychological contract and organisational identification. Bowditch and Buono (2004) depict the relationships between employees and the organisations they work for as dynamic interactions that are premised on the expectations of receiving something in return for what has been invested in the other. On the one hand, an employment agreement magnifies the degree to which the employee-employer relationship has become formalised. It is, however, these formal procedures and institutions that remain ineffective and inadequate in explaining challenges that characterise present-day employment relationships (Botha & Moalusi, 2010). Part of the challenge, it may be argued, is that the contributions made by employees to the formal employment contract and its terms and conditions, are often limited and insignificant (CIPD, 2007).

As a result of the abovementioned factors, some scholars (Cooper, 1999; Furnham, 2000) have argued that job security perceptions have decreased, employees' attachment to the organisation is less, commitment is lowered, and satisfaction and loyalty have been impaired. The psychological contract provides the possibility to focus on less explicit deals and investigates the content and process of the employment relationship (Guest, 2004). In addition, those in management positions regard the concept of the psychological contract as useful in thinking about employment relationships in the current volatile labour market (CIPD, 2010).

The understanding of the psychological bonds that exist between employees and their organisations is imperative. Several positive outcomes have been identified as emanating from the organisational identification framework. According to Albert, Ashforth and Dutton (2000), the sense of identity acts as a cognitive compass through which employees can manoeuvre the complex dynamics of the employment relationship. They further suggest that "...because identity is problematic—and yet so critical to how and what one values, thinks, feels, and does in all social domains, including organisations—that the dynamics of identity need to be understood" (Albert, et al., 2000, p.14). Despite there being extensive literature on organisational identification, there is little consensus and contradicting conclusions on why some individuals may identify strongly with an organisation more than others (Fuchs, 2012). With the recognition that temporary work is one of the key features in call centre environments, this research study sets out to investigate the moderating role that the type of employment contract has on the notion of organisational identification.

Another compelling motive for this study emanates from the strategic role that the call centre industry plays in the economy. The recognition of, and interest in the South African call centre industry is growing as this has been identified as an avenue through which there can be

further job creation and foreign investment opportunities. However, there have not been many studies conducted on call centres within the South African context (Banks & Roodt, 2011).

1.6. Chapter conclusion

This chapter provided the introduction, context and background to the research study. The chapter also narrowed in on the key theoretical frameworks that will be the subject matter of a more detailed examination in Chapter 2, the literature review. In addition, the objectives of the study, as well as the research questions that this study set out to investigate were presented. What follows is an examination and analysis of the published body of knowledge on the theoretical frameworks that have been introduced in this chapter.



CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

The preceding Chapter 1 introduced the background to this study. Chapter 1 referred to the theoretical frameworks of the psychological contract and organisational identification that are the focus of the study. Chapter 2 is presented here and will unpack these theoretical frameworks through the review and critical analyses of the published body of knowledge from

previous research on the same subjects. Each of these theoretical frameworks will be defined and discussed at length in ensuing subsections of this chapter. The literature review will be concluded with a synopsis of what is presented in this chapter, as well as a brief introduction to Chapter 3. Firstly, a discussion on the psychological contract is presented below.

2.2 The psychological contract

The psychological contract is defined as "...the individual beliefs, shaped by the organisation, regarding terms of an exchange agreement between individuals and their organisation" (Rousseau, 1995, p.9). The work of Rousseau (1989, 1990, 1995) on the psychological contract, as well as the definition provided above have been widely considered influential on present day views of the subject (Guest & Conway, 2009). The definitions of the psychological contract put forward by other scholars are not significantly varied. One variation in particular, is that other scholars conceptualise the expectations in the psychological contract as mutual between employee and employer. Such an example is provided by Armstrong (2006) who defines the psychological contract as a set of implicit expectations that both employees and employers share. Generically, the terms that have been used to describe and define the psychological contract reveal there is a common thread in the conceptualisation of the construct.

The terms used to depict the psychological contract are as diverse as the individuals who have written on the subject. At a broader level, the psychological contract has been conceptualised as a metaphor that captures workplace dynamics (CIPD, 2010), a mental model (Rousseau, 2004), a practical and valid framework (Botha & Moalusi, 2010; CIPD, 2010; Guest, Isaksson & De Witte, 2010), a concept (European Commission, 2003; Turner, 2009), a bond or connection between employee and employer (Bowditch & Buono, 2004) or if one prefers, the glue that binds the employee and the employer.

While the features that define psychological contracts are the same, there is disparity with regards to the forms that psychological contracts take (George, 2009; Rousseau, 2004). George (2009) provides a concise depiction of the psychological contract by suggesting that it is promissory, reciprocal, implicit as well as dynamic. Promissory due to the perceived promises that employees feel their employers made prior to them formally joining the organisation, reciprocal because they pertain to the agreements exchanged between employees and employers (for example, an employee may get training from the employer in return for work achieved), and implicit because it is not bound by written or spoken dictates as is the case with the legal contract (George, 2009).

2.2.1 Is mutuality a constant feature in psychological contracts?

Prior to the definition provided by Rousseau (1995), individuals regarded as the pioneers of the psychological contract such as Argyris (1960) and Schein (1965) had a broader view of the psychological contract. Their view went beyond the perspectives and expectations of the employee alone and included the perspectives and expectations of the employer as well. It is for these reasons that some of the psychological contract studies have been considered to be one-sided (Schalk, De Jong, Rigotti, Peiro & Gaballer, 2010). However, Rousseau (1995) is of the position that views of the psychological contract are best understood from the perspective of the employee as the organisation does not have the ability to perceive. One of the challenges that may also undermine the conceptualisation of the psychological contract as being based on mutual understanding between the employee and employer is the imbalance of power (Herriot, 2001).

One argument suggests that a contract is based on the premise that both parties to the contract have the opportunity to contribute to the content and shape of the contract (Herriot, 2001). In instances where one party wields more power than the other in the contract relationship, the principle of mutuality ceases to exist. For instance, when an employer has more bargaining muscle that allows them to impose the contract, or when an employer considers that the departure of an employee is of little consequence, then the contract metaphor ceases to be valid (Herriot, 2001).

An example provided by Herriot (2001) in supporting the abovementioned notion is that by nature of their expertise and value to the organisation, some employees may hold considerable labour market power compared to those whose value to the organisation is considered low. In the latter cases, Herriot (2001) argues that in situations where the employee needs the organisation more than the organisation needs the employee, imposition of the deal by the employer will occur. Therefore, in some instances it may not always be feasible to have mutually agreed upon psychological contracts due to the power dynamics in the relationship.

While acknowledging some of the limitations and criticisms of the psychological contract definition provided by Rousseau (1995), there are two compelling reasons why this study will use the definition provided by this scholar. Firstly, there is little dispute that both the growth and interest in the concept of the psychological contract may be attributed to the work of Rousseau (1989, 1990, 1995). Secondly, in Rousseau's definition, limitations are only applied to the employee's perception of the exchange agreement (Schalk et al., 2010). This definition would ideally suit the scope of this study since it will investigate the psychological contract perceptions of the employee and not the employer.

2.2.2 The psychological contract and the social exchange theory

There are two fundamental elements of human behaviour upon which the psychological contract is built. These are the norm of reciprocity (Sverdrup, 2012) and social exchange (Bowditch & Buono, 2004). Based on the norm of reciprocity and the social exchange theory, it is postulated that the treatment that individuals give to others is a reflection of how they have been treated themselves (Dulac, Coyle-Shapiro, Henderson & Wayne, 2008; Sverdrup, 2012). Within the scope of the psychological contract, the same principle applies to the employment relationship. This give and take relationship is an evolving interaction between employee and employer. The ultimate goal for each party involved is to get some return on what they invest into the relationship (Bowditch & Buono, 2004).

In the exchange relationship, both employee and employer hold perceived obligations towards one another. This is consistent with the norm of reciprocity where the receipt of a benefit by one party obligates them to give a return in the form of a cost (Sverdrup, 2012). These obligations (which may be categorised as transactional or obligational) are the cornerstones that underpin the psychological contract (Robinson, Kraatz & Rousseau, 1994). In the exchange relationship the respective parties are bound by a pledge or debt to fulfil certain obligations or actions in relation to the other party (Armstrong, 2006; Robinson, Kraatz & Rousseau, 1994). In a study conducted by Robinson, Kraatz and Rousseau (1994), they categorised these obligations into employee obligations and employer obligations. In this study, employees' beliefs of their obligations to their employer, as well as the obligations they perceived the employer owed to them, were assessed. These obligations were termed employee obligations and employer obligations, respectively. It must be noted, however, that because these perceived obligations are mostly examined and understood from the perspective of the employee alone, several studies have been criticised for being one-sided in their examination of the psychological contract and the perceived obligations therein (Guest, Isaksson & De Witte, 2010). Despite being regarded as crucial to the understanding of the employment relationship and the psychological contract, the employer's perspective or understanding of the contract obligations is not always considered (Guest, Isaksson & De Witte, 2010). There is general consensus, however, that whether the perceived obligations are examined from the perspective of the employee or employer, they change over time.

The obligations are understood to be dynamic and may evolve in line with the changing relationship between the employer and employee. Factors such as an employee's self-serving bias, the actions of both parties to the contract (whether negative or positive) and the ongoing processing of information by the employee from their own behaviour and that of the employer, may all influence their perceived obligations (Robinson, Kraatz & Rousseau,

1994).

While the above review of literature has focused on the contents and variations of obligations that constitute the psychological contract, the discussion would be incomplete without drawing parallels between the psychological contract and the formal or legal contract. The section that follows provides a comparison between the two.

2.2.3 The psychological contract versus the formal contract

Contrasts can be drawn between the psychological contract and the formal employment contract (CIPD, 2010). Contrary to the psychological contract, the formal contract is governed by rules, regulations, laws and institutions which are country or context specific. In these contracts, issues such as salaries, conditions of work and employee benefits are informed by the general systems and rules of the contract (Schalk et al., 2010). While the psychological contract is largely implicit and unwritten, the formal contract on the other hand spells out in no uncertain terms the nature and scope of the agreement between the employee and the employer. Guest and Conway (2009) posit that a clear point of distinction between the psychological contract and the formal contract is the term psychological. By its very nature, this term places the contract into the realm of perception rather than reality.

Furthermore, the CIPD (2010) suggests that while employees actively participate in negotiating the terms of the psychological contract, their involvement in crafting the formal contract is very limited. Makin, Cooper and Cox (1996) offered an alternative perspective that reconciles the characteristics of both contract types. They argue that while it is the case that the different types of contracts vary on the grounds of specificity and formality, the common feature is that they all involve some form of exchange.

Variations do not only exist between the psychological contract and the formal or legal contract. Within the psychological contract itself, different types of psychological contracts exist. These will be discussed further in the section below.

2.2.4 Types of Psychological Contracts

There are three basic characterisations of the psychological contract that have widely been discussed in the psychological contract literature. According to Rousseau (2004), the types of commitments that prevail between employees and employers can be of limited scope on the one hand, or involve long-term mutual interdependence on the other hand. While there are some common features in psychological contracts, Rousseau (1995) made the distinction between relational and transactional contracts. Over time, however, there was the development of a different type of contract which sought to bridge the gap between the two

former types of psychological contracts. These were identified by Rousseau (2004) as hybrid or balanced contracts. Each of these types of psychological contracts will be unpacked further below. These are relational psychological contracts, transactional psychological contracts and hybrid/balanced psychological contracts.

2.2.5 Relational psychological contracts

Terms such as stability and loyalty are synonymous with relational psychological contracts (Rousseau, 2004). Economic as well as emotional and social investments characterise relational psychological contracts (Herriot, 2001). Both employee and employer commit considerably to the contract and there are no set time frames to the agreement, which on its own gives the impression of an open-ended or long-term relationship. In return for the development of careers and job security, employees with relational contracts give loyalty to their employer (George, 2009). The likelihood of employees working beyond their normal hours irrespective of whether they receive a financial reward for it, giving a helping hand to colleagues for the benefit of the greater group or organisation, and showing support to changes within the organisation, is higher with employees who perceive their psychological contract to be relational than those who do not (Rousseau, 2004). On the side of the employer, there is the tendency to cushion the employee from uncertainties and risks that may arise from difficult economic times (Rousseau, 2004).

On account of these types of relational commitments, when the expectations of one party to the agreement, particularly the employee, are perceived to have not been met or satisfied, it provokes intense negative emotional reactions such as anger (Rousseau, 2004). However, due to the entrenched commitments that characterise relational contracts, employees are likely to seek solutions that will preserve their relationship with the employer (Rousseau, 2004). Employers who offer relational contracts are better preferred by employees over those that offer the limited type of psychological contract that is discussed in the ensuing paragraph. More so, employees who are regarded as valuable by their employers are more likely to be offered relational psychological contracts than employees whose contribution is perceived to be less critical to the success of the organisation (Rousseau, 2004). The merits associated with relational psychological contracts will be discussed further in this Chapter.

2.2.6 Transactional psychological contracts

Contrary to relational psychological contracts, transactional psychological contracts are limited in scope. The primary mode of exchange in the relationship is a wage or a salary as compensation for work done (George, 2009; Herriot, 2001). The socio-emotional investment made in transactional psychological contracts is very limited. The time frames that guide

transactional psychological contracts are specific and not open-ended as is the case with relational psychological contracts. Transactional psychological contracts are therefore more common with temporary or seasonal work. The employer tends not to be under strict obligations to provide support (such as training) to the employee that implies a futuristic commitment because the emphasis is on the use of the employee's existing skill set (George, 2009). More often than not, employees who hold transactional psychological contracts regard their employment as a pedestal for higher career prospects. In other instances, there would have been communication to the employee by the employer that the nature of their employment would be for a precise short-term period (George, 2009).

2.2.7 Hybrid/balanced psychological contracts

The hybrid/balanced contract is the third type of the psychological contract. Rousseau (2004) suggests that this type of the psychological contract is fairly new and entails both parties assuming some share of the risk if and when work conditions change. While employers commit to develop employees on the one hand, the expectation is that if and when the employer experiences economic hardships or some need for change, the employees on the other hand will be accommodating and willing to support the employer. This type of psychological contract allows for the renegotiation of the contract when economic conditions change.

2.2.8 Horizontal versus vertical psychological contracts

An alternative classification of psychological contract types is given by Sverdrup (2012). The suggestion is that psychological contracts can either be vertical, that is between employee and employer, or horizontal, that is between employees in the same work group. The vertical psychological contract fits into the traditional conceptualisation or definition of the theory in that it refers to the relationship between the employee and employer. With regards to the horizontal psychological contract however (which is argued to have been neglected for the most part in psychological contract literature), Sverdrup (2012) posits that through employee interactions within group settings, there are inevitably contract-like agreements that employees share with each other. The why and how of the development of relationships in team settings can be understood through the exploration of these horizontal psychological contracts. Despite these alternative criterion of classification, the review of literature would indicate that the relational and transactional psychological contracts remain the commonly referred to types of the psychological contract.

It is important to note that while there are different types of psychological contracts operating within the work context at any given time, making inferences on which type of psychological

contract is in place in a work setting is a challenge. It is not an easy task to infer what type of psychological contract an employee will have based on their tenure, for example, or their employment status. Comprehending the sources of information that employees use to shape their beliefs of the work environment therefore becomes critical (Rousseau, 2004).

2.2.9 Advantages and disadvantages of psychological contract types

For each type of psychological contract discussed above, there are advantages and disadvantages. The gains to the employee who perceives their psychological contract to be transactional include the instantaneous monetary gain as well as the flexibility that this type of the psychological contract offers. The flexibility pertains to the few working hours of the employee, the fact that more often than not the employment is seasonal, and that any changes in the conditions of employment would have to be renegotiated (George, 2009). For the employer on the other hand, transactional psychological contracts offer flexibility of choice with regards to the hiring of employees, and the employer is not strictly obligated to up-skill the employee as they make use of the employee's existing skills (George, 2009). An assessment of the benefits associated with the relational psychological contract is provided below.

The relational psychological contract provides a different set of advantages to employees. Due to their open-ended nature, there are generally high levels of predictability in relational psychological contracts. This in turn may contribute to lower stress levels, more employee satisfaction and feelings of being in control by employees who perceive their psychological contracts as relational (George, 2009). Organisational benefits associated with relational psychological contracts include the diminished need for micromanagement practices, a more predictable path to the development of the organisation as there is a stable employee base, as well as employee commitment to build upon (George, 2009).

2.3 Significance of the psychological contract

There are several changes that continue to affect the workplace. The types of jobs offered to employees are varied, structures of organisations are much leaner or flat, innovations relating to products and technology occurring at a rapid pace, and the need for competitive advantage by organisations all characterise the current workplace changes (CIPD, 2010). With all of these changes, the importance and value of an organisation's human capital is apparent (CIPD, 2010; George, 2009), and the significance of the psychological contract cannot be emphasised enough (Makin et al., 1996). Success is more likely in organisations that are able to get the most out of their human capital, as well as the organisations that manage to get their employees to agree in pursuing their goals and purpose (CIPD, 2010; Rousseau, 2004).

What follows is the presentation of literature that discusses the significance of the psychological contract as a concept in relation to the employment relationship.

Despite its academic background, many in positions of management in organisations view the concept of the psychological contract as a constant reminder and reference point they can use to think about the employment relationship against the backdrop of changes within the labour market (CIPD, 2010). On the other hand, how employees conduct themselves within the workplace may be influenced more by the psychological contract than the formal contract. It serves as a guide to employees on what is expected of them, as well as what they may anticipate in return (CIPD, 2010). In other words, the psychological contract gives direction to both parties pertaining to the expectations and obligations of one another.

In addition to the above, it has been suggested that the concept of the psychological contract is now a core subject in the sphere of people management (Turner, 2009). Tactics such as implicit or explicit coercion and intimidation of employees used in the past in order to solicit employee contribution are no longer effective. Instead, the contribution of employees now has to be offered willingly. Through the psychological contract, the issues that are often neglected but nonetheless important to the employment relationship are brought to the fore. Such issues are not always apparent in managing employee performance but are just as crucial. The psychological contract gives attention to employees instead of placing emphasis on technology, and highlights the evolving workplace dynamics that give shape to the employee-employer relationship (CIPD, 2010). It is a useful framework through which employees' subjective perceptions in the workplace can be understood (Botha & Moalusi, 2010).

2.3.1 The psychological contract and the current work environment

The significance of the psychological contract to the employment relationship can also be understood within the context of what Guest (2004) refers to as a system in permanent turbulence. The psychological contract is one of the useful frameworks that can be employed to evaluate the changing employment relationship and what the implications of these changes are on both the employee and the employer. These changes pertain to the growth of self-interests which has largely resulted in the individualisation of the employment relationship, the erosion of practices such as collective bargaining and the flexibility of work, among others (Guest, 2004; Guest & Conway, 2009). The traditional employment model therefore no longer exists in most work settings. Practices where employers and employee representatives came together to bargain and negotiate over work issues are no longer as common as before (Guest & Conway, 2001). The psychological contract has various dimensions that capture the rich dynamics of the employment relationship. It also provides an

alternative framework for managing the employment relationship (Guest, 2004; Guest & Conway, 2001; Guest & Conway, 2009).

2.3.2 Psychological contract breach and violation

An alternative reason as to why the psychological contract is useful pertains to the concepts of breach and violation of the psychological contract. In the formative years of the psychological contract, there was little distinction between psychological contract breach and violation. The terms were not only used interchangeably but both were used to describe the unfulfilled or broken promises in an exchange relationship (Robinson & Morrison, 1995). A clear variation exists between psychological contract breach and violation (Jamil, Raja & Darr, 2013). The former is a cognitive assessment where the perceived promises and expectations made in an exchange relationship have fallen short or have not been fulfilled altogether (Morrison & Robinson, 1997). The latter, on the other hand, can be considered as the emotional reactions to the perceived breach (Morrison & Robinson, 1997). These emotions manifest themselves through feelings of anger, injustice, betrayal and a lack of trust, all of which come to the surface based on the realisation that the employer has not honoured their set of obligations in the exchange relationship. There are also negative implications that are associated with the perceived breach of the psychological contract, which Robinson and Morrison (2000) argue can be the result of one of two causes presented below.

Perceived breach of a psychological contract can either be the result of an employer (through its agent) reneging on a promise made, or the result of incongruence in the understanding of the psychological contract promises (Robinson & Morrison, 2000). These scholars consider reneging to denote a scenario where the employer or its agent is conscious to the existence of an obligation but for one reason or the other wittingly chooses not to fulfil the obligation. Incongruence on the other hand is used by Robinson and Morrison (2000) to describe the scenario where both parties to the psychological contract have varying or conflicting views on not only the nature of the psychological contract, but also whether such a contract exists at all. Irrespective of the causes of perceived breach, the outcomes are just as negative as when violation is experienced.

One party's failure to meet its perceived obligations towards the other can result in the erosion of the employment relationship because of conflicting beliefs pertaining to reciprocal obligations (Robinson, Kraatz & Rousseau, 1994). Employer violations may affect both what employees perceive the employer owes them, and what they perceive they are obligated to provide to the employer in return (Robinson, Kraatz & Rousseau, 1994). In the event that employees perceive employer violation, there is likely to be an erosion of their trust and faith in their employer. Furthermore, this perceived violation is likely to have negative implications

on their relational obligations. As a consequence of the employer violation, the employee's desire to pursue long-term employment with their employer may be eroded, and their perception that the employer is obligated to provide personal support or job security is called into question (Robinson, Kraatz & Rousseau, 1994).

Psychological contract fulfilment increases organisationally desirable behaviours and outcomes such as job satisfaction and trust (Manzoor, 2016). It has also been identified to have a positive correlation with increased emotional commitment and lowered turnover intentions (Vugts, 2016). On the contrary, when employees perceive that their expectations have been breached, the result is negative outcomes for both the employee and the employer (Guest & Conway, 2009; Makin et al., 1996). By definition, the implication of a broken psychological contract is that there is some disconnect between promises made and what has been delivered. It may also imply that the employer is withholding some benefits due to employees which may in the end frustrate the needs of those employees. When breach in the psychological contract occurs, the result may be lowered feelings of organisational support, negative behaviours such as increased cynicism and acts of vengeance, or general negative talk which may lead to disillusionment in the work environment (Guest & Conway, 2009). The breach in the psychological contract may lead to feelings of anger and resentment, as well as the re-evaluation of the relationship that an employee has with their employer (Makin et al., 1996). According to Rousseau (2004), the sense of dismay would be more intense when a perceived breach of the psychological contract has occurred with employees who hold a relational psychological contract discussed earlier. Given all of the negative outcomes associated with perceived psychological contract breach and violation discussed above, one may conclude that employers should strive to prevent the perceived breach of the contract. This has however been noted by some scholars to be a difficult goal to attain (Restubog, Zagenczyk, Bordia & Tang, 2013).

The difficulties in preventing the breach of the psychological contract by employers can be attributed to the continuously evolving business environment that is characterised by intense competition (Robinson & Rousseau, 1994). This can also be attributed to how the psychological contract perceptions are formed. Because psychological contract promises emanate from experiences of employee recruitment and through social interaction with other employees and line managers, they are considered to be highly subjective and as a result, difficult for employers to fully comprehend and fulfil (Rousseau, 1995). While acknowledging the difficulties associated with stopping psychological contract breach, Restubog et al., (2013) posit that employers may be able to mitigate the negative outcomes of contract breach by adequately comprehending the dynamics of contract breach.

The other core framework of this study is organisational identification. What follows in the sections below is a review and presentation of literature on this framework.

2.4 Organisational Identification

For effective interaction to occur with other entities, be it at individual, group or organisational level, the questions of identity (Who am I? Who are we?) become critical. (Ashforth & Dutton, 2000). In psychoanalytic literature, identification is used to depict an emotional connection or bond that exists between two or more entities. It is a key tool to the cohesion of any group of individuals (Simon, 1957). Though there are some variations to how identification has been conceptualised, most concur that it is the process through which individuals use the identity of a social grouping in order to define their own identity, or seeing another entity as being definitive of themselves (Albert et al., 1998; Pratt, 1998; Evans & Davis, 2014; Pratt, 2001). This process is understood to be an intrinsic disposition that all social beings have (Ashforth, 1998; Pratt, 1998), and is thought to emanate from the quest to fulfil the need for a sense of belonging and to find meaning (Ashforth, 1998).

Organisational identification on the other hand is a particular kind of social identification (Pratt, 2001). This type of social identification explains why and how some individuals identify with one organisation more than others (Pratt, 2001). It entails the sense of belonging to, and the bond that an individual has with, the organisation (Modaff, DeWine & Butler, 2008). As times change and as organisations become more diverse and the nature of work continues to evolve, this provides a platform for a new narrative in organisational identification discourse (Pratt, 2001).

These changes make prominent the need for social groupings to apply their minds to the questions of 'who am I?' and 'with whom do I identify?' (Pratt, 2001). Organisational identification is believed to occur in two ways; either through affinity or emulation (Pratt, 1998). Organisational identification through affinity involves the individual recognising that the beliefs and values that are characteristic of an organisation are similar to those that define their own identity (Pratt, 1998). In this instance, one may use the analogy that like poles attract. The second path to organisational identification, identification through emulation, entails the conscious changes in the individual's beliefs and values with the need to have them in harmony with those of the organisation (Pratt, 1998). So when do individuals identify?

Based on the predictions by some scholars in the field of organisational identification, there are three possible scenarios that have a bearing on individuals identifying with their organisations. Firstly, individuals may identify with an organisation when that organisation is of significant high status or considered prestigious (Mael & Ashforth, 1992; Knapp, Smith &

Sprinkle, 2014). Secondly, organisational identification may also occur when the organisation's image is considered attractive by the individual, and thirdly when the organisation's identity is perceived by its members to boost their sense of self-worth or self-esteem (Dutton, Dukerich & Harquail, 1994). It can be inferred from these three scenarios that organisational identification is more likely to occur in instances where the organisation is viewed favourably by its members than when it is not (Pratt, 2001). In instances where the conditions stated above are not prevalent, organisational disidentification may occur. The section that follows provides a description of what organisational disidentification entails.

2.4.1 Organisational disidentification

Organisational disidentification is the opposite of organisational identification. Unlike the latter, organisational disidentification occurs when there is a psychological disjoint or distance between employees and their organisation (Kreiner & Ashforth, 2004). Organisational disidentification also takes root when employees perceive that there is incongruence between the values of the organisation and their own, and when the reputation of the organisation is perceived as undesirable (Kreiner & Ashforth, 2004).

When levels of organisational disidentification are too high, the consequences may not be desirable (Zagenczyk, Cruz, Woodard, Walker, Few, Kiazad & Raja, 2013). Where there are high levels of organisational disidentification, employees are often prompted to voice undesirable comments about the organisation to others or may decide to exit the organisation altogether (Kreiner & Ashforth, 2004). This, however, does not mean that organisational identification in itself is any less important. The relevance of organisational identification discussed in the section below.

2.4.2 Relevance of organisational Identification

In the fields of organisational sciences and human resource management, the notions of organisational identification, as well as the general psychological links that exist between employees and their organisations, have become central themes in research (Fuchs, 2012). Not only is organisational identification seen as a useful concept that helps to explain the psychological bonds between employee and employer, it can also be used as a tool to help illuminate and predict employee behaviours and attitudes (Edwards, 2005). The essence of the notion of identity in general is captured succinctly in the following assertion:

“It is because identity is problematic – and yet so critical to how and what one values, thinks, feels and does in all social domains, including organisations – that the dynamics of identity need to be understood” (Albert, Ashforth & Dutton, 2000, p.14)

Pratt (1998) also suggests that the field of organisational identification in general will remain fertile grounds for research in the decades to come. In the vast body of knowledge on organisational identification, various propositions and arguments have been made that support the assertions made by Edwards (2005) and Pratt (1998). These will be discussed further below.

For the individual, feelings of security, social belonging and the ability to articulate who one is, are all conferred by the concept of identification (Ashforth, Joshi, Anand & O'Leary-Kelly, 2013). The employee's feelings of success and high self-esteem will also increase as their organisation's success increases (Zagenczyk et al., 2011).

Organisations that induce identification in their employees are likely to yield positive results (Pratt, 1998; Riketta, 2005). Therefore, it is crucial for organisations to understand the nature of identifications that employees hold (Mael & Ashforth, 1995). For the organisation, there is an increased retention of control over employees who have a sense of attachment to their organisation and are satisfied with their work because of their identifications (Pratt, 1998). Positive organisational identification has been linked to several organisationally relevant outcomes (Fuchs, 2012). Some of these outcomes have been noted to include lower burnout levels (Mael & Ashforth, 1995), increased work motivation and satisfaction (Gossett, 2002; Modaff, et al., 2008) as well as compliance with organisational expectations (Mael & Ashforth, 1995). Abrams and De Moura (2001) also posit that when employees hold positive or high organisational identifications, their turnover intentions are significantly reduced. They go as far as suggesting that of all variables that influence turnover intentions, organisational identification is one of the most significant.

In the presence of pronounced levels of organisational identification, it is also argued that employees invest themselves in efforts to ensure that the organisation thrives and that it is viewed in good standing by those who are not part of the organisation. The individuals will more likely be willing to work together with the organisation in meeting its strategic agenda, and exhibit positive work behaviours that the organisation will need in bringing work teams together (Schaubroeck, Peng & Hannah, 2013). In addition, organisationally desirable outcomes such as optimal levels of work performance and motivation by employees are both induced by the sense of cohesion with the organisation. It has also been argued that since organisational identification entails the definition of oneself in relation to a social grouping, the likelihood of employees engaging in acts of citizenship towards others and extra-role behaviours becomes high. Extra-role behaviours become pronounced because the needs of the employee have been met due to the fact that they identify strongly with the organisation. In the bigger scheme of things it is envisioned that helping others is seen as helping oneself

(Qi & Ming-Xia, 2014).

While these positive outcomes of organisational identification are well documented, Ashforth and Mael (1996) caution that one's identification with an organisation still needs to be managed carefully as there are also a number of negative outcomes that may potentially result from individuals identifying too much with an organisation (also referred to as over-identification).

When individuals over-identify with an organisation, this may result in the vulnerability of the individual, a lack of flexibility by the organisation, compromised sense of self and autonomy, unethical behaviour by both leaders and employees through omission or commission, (Ashforth & Mael, 1996) or over-conformity to the dictates of the organisation (Pratt, 1998).

Other scholars have critiqued the notion of organisational identification by positing that it is not as straightforward as previously thought and that this has been made evident by the many changes in present day workplaces (Modaff et al., 2008). This position (relating to changes in the workplace) is supported by Albert, Ashforth and Dutton (2000) who suggest that the means, methods and forms of organisational identification have been dismantled. The assertion that most organisations see as viable the promotion of identification with all its employees is therefore called into question in some work settings. For example, in an attempt to eventually release temporary workers with ease when their tenure expires, organisations may deliberately opt to curtail opportunities that promote organisational identification of these employees. On the other hand, it is argued that temporary workers may also show reluctance in identifying too much with their short-term employer and instead choose to remain on the peripheries of the organisation (Modaff, et al., 2008).

Notwithstanding all of the above, the relevance of identity and organisational identification remains critical. When an individual's identity fails, their sense of self also fails (Ashforth, 1998).

2.4.3 Relationship between the psychological contract and organisational Identification

Both constructs of the psychological contract and organisational identification are premised on the context of social exchange and the key components in these social exchanges are obligations. Based on the theory, employees are understood to reciprocate positive inducements by the employer with organisationally desirable behaviours. At the same time, they may also reciprocate the lack of positive inducements by the employer with work related behaviours that are negative (Hekman, Bigley, Steensma & Hereford, 2009). Both parties in

the social exchange relationship engage one another on the premise that both are obligated either in the form of debt or pledge, to meet certain expectations with regards to the other party in the exchange relationship (Robinson, Kraatz & Rousseau, 1994). Previous research has highlighted the evolving but abstract interaction between the psychological contract and organisational identification (Epitropaki, 2003). While the abstract interaction between the two constructs is known to exist, substantive empirical evidence on the mutual relationship between these theories has been lacking (Epitropaki, 2003).

Research has since established that employees' perceptions that their needs have been met by virtue of them belonging to an organisation become diminished once they experience a psychological contract breach. The resulting consequences include an eroded sense of belonging, a decreased likelihood that employees will invest into their workplace community, and the loss of meaning and value in their designation of membership (Epitropaki, 2013). Results of the same study also concluded that the organisation-employee relationship is undermined by psychological contract breach. The result is that employees invest less into the relationship, develop doubt about their membership with the organisation, and start with the process of organisational disidentification (Epitropaki, 2013).

The type of psychological contracts that employees hold may also influence the degree to which they identify with their organisation. Employees who hold relational psychological contracts more often than not identify with their organisation. Their identifying with the organisation is a manifestation of their relational obligations (Lu, Capezio, Restubog Garcia, & Wang, 2016). The need to foster a long-term relationship with the organisation by employees has implications for identification and is created by relational psychological contracts (Lu et al., 2016).

Having reviewed various sources of literature on the subjects of psychological contracts and organisational identification, one may draw the conclusion that the psychological bond between the employer and employee may not always be solid. Two factors may potentially influence whether or not this psychological bond exists, and if it does, to what extent. These factors are the type of employment contract that an employee holds, as well as the manner in which the employee has been employed. The following section of the literature review will now shift towards a subject that has been the source of much debate and contention in South Africa – the subject of labour brokers (also known as temporary employment services) and the legal statute that was formulated to regulate the said industry – the Employment Services Bill (2010).

2.5 Labour brokers and the Employment Services Bill

The need to save operating costs and the need to maintain a competitive advantage has motivated some organisations to engage in practices such as the outsourcing of labour or sub-contracting (Fuchs, 2012). The common term used in South Africa to describe the outsourcing of labour is called labour broking, and those who facilitate such exchanges of labour between organisations and prospective employees are known as labour brokers or temporary employment services.

The practice of contracting intermediary agencies in the provision of labour or labour broking has been a subject of much debate. The definition of a labour broker or temporary employment services is provided in section 198 of the Labour Relations Act (1995). The labour broker is any person who receives payment for the provision or procurement of individuals who will engage in work activities for the client requiring any such services (Labour Relations Act, 1995). The individuals contracted to work for the client will in turn be remunerated by the labour broker.

The subject of labour broking has solicited strong opposing views from various quarters of the political and economic spheres. So much so that it prompted the South African Government's Department of Labour to propose a package of amendments to the Employment Services Bill (2010) to provide for further regulations of temporary employment services among other things. The proposed amendments were billed and have since been signed into law by the President of the Republic of South Africa. Before passing of the said statute into law, the arguments for and against the proposed amendments were diverse. What follows is a discussion of some of the arguments made for and against the regulation or abolishment of the practice of labour broking.

2.5.1 The debate concerning labour brokers/temporary employment services

The competing views on labour brokers in South Africa have been based on the social, political and economic agenda of the institutions who argued for or against the regulation of labour brokers. No other institution was arguably more vocal than the Congress of South African Trade Unions (COSATU) in pushing for the abolishment of the practice of labour broking, as well as the removal of labour brokers themselves. In one of its Press Statements released in 2008, COSATU likened the practice of labour broking to some form of human trafficking (COSATU, 2008). The argument they put forward in support of this comparison was that through labour broking, the labour of prospective employees is sold to the company that makes the highest monetary offer, and in return the labour broker provides the company with workers who are then paid the lowest possible earnings by the labour broker (COSATU, 2008).

In addition to the above, some of the practices perceived to be common in labour broking circles were the non-payment of tax and benefits or contributions to the Unemployment Insurance Fund (UIF). This, COSATU argued, was a practice that reduced employees to economic merchandise that could be sold to an individual or company for some profit (COSATU, 2008). The ruling party in South Africa, the African National Congress (ANC) in its 2009 press statement on labour brokers also concurred that these were 'abusive practices' (ANC, 2009). One of the factors that COSATU (2008) argued contributed to such abusive practices was the lack of clarity on who was legally obligated to meet the responsibilities of the employer towards the individual who has had a job placement through the practice of labour broking.

While legislation dictates that an employer is anyone who pays an employee some remuneration, COSATU (2008) argued that more often than not, both the labour broker and the employer want to absolve themselves of the responsibility of making contributions towards tax, UIF, skills training, medical insurance, retirement and other health and safety statutory obligations. However, those who were opposed to the proposals for the abolishment of labour brokers or the practice of labour broking put forward counter arguments, particularly organised businesses directly involved in the practice. Some of their arguments are presented below.

One of the arguments put forward by organised businesses hinges on research done by academics who argue that the lack of adequate social and academic inquiry into the industry of temporary employment services has created the gap in knowledge (Bhorat, Cassim & Yu, 2014). As a consequence, the greater public and those tasked with policy formulation have been under-informed about the social and economic contributions made by labour brokers. It is argued that labour brokers have created more jobs than any other sector post the apartheid era in South Africa. In addition, they have employed more young people in comparison to other economic sectors (Bhorat, et al., 2014). The prediction made by these scholars was that job losses and increased household poverty would be the end result of any attempts at the strict regulation or abolishment of the services provided by labour brokers (Bhorat et al., 2014).

According to Johnny Goldberg, Chief Operating Officer for the Confederation of Associations in the Private Employment Sector (CAPES), the suggestion that labour brokers use job seekers with low skills who are employed under unpleasant working conditions with no prospect of an employment contract cannot be corroborated (Bhorat et al., 2014). It is further argued that the role that labour brokers play in absorbing young people into the mainstream job economy cannot be overlooked, given that youth unemployment in South Africa is usually

in the region of 50 percent. The estimates provided by CAPES (2014) suggest that the labour brokers industry is a multi-billion Rand sector that contributes an estimate of 40 billion Rands each year, a portion of which goes to the national treasury through tax contributions and in the process supports thousands of households. According to Bhorat et al. (2014), an estimate between 280 067 and 362 528 households would be at an increased risk of poverty should the labour brokers cease to be in operation. This, they argue, should be the reason why economic policy and debate should be founded on the labour broking sector.

Following up on its 2009 election manifesto, which made proposals for the introduction of legal statutes to mitigate the abuse of workers and ensure decent work, the ANC government pushed for amendments to the Labour Relations Act (1995) and the introduction of the Employment Services Bill (2010). The government may have taken a leaf from the neighbouring country of Namibia in its pursuit to regulate and not ban altogether the existence of labour brokers. According to Van Eck (2010), the Namibian government had attempted without success, to ban labour brokers in the country. In its ruling, the Namibian Supreme Court of Appeal took into account the International Labour Organisation (ILO) conventions in reaching the decision that labour brokers should be regulated and not banned (Van Eck, 2010). In South Africa, the ANC envisioned that through such legal regulation, the government would be able to redress unfair labour practices reminiscent of the past (ANC, 2009). The proposed amendments were billed and have since been signed into law by the President of the Republic of South Africa. Through the amendments, the government sought to reach specific ends, some of which are described below.

2.5.2 The Employment Services Bill

According to the law firm Bowman Gilfillan (2014), the Employment Services Bill (2010) sought to, among other things, regulate the practices of labour brokers through the introduction of a licensing system that would restrict the activities of recruitment agencies. By inference, it is argued that this would restrict the activities of labour brokers to being the conduit between work seekers and job opportunities, providing information on careers and being a referral system for prospective job seekers. It is suggested in the same commentary that the Bill would in effect criminalise operating as a labour broker without the acquisition of an operating license. While some quarters suggest that these new regulations implicitly seek to obliterate the practice of labour broking, this argument, however, seems to be subjective as this provision of the Bill is open to interpretation.

Other challenges addressed in the Employment Services Amendment Bill (2010) concern the unfavourable treatment of individuals employed on a temporary basis by both labour brokers and employers. Confines to what constitutes temporary work have also been stipulated in the

Amendment Bill to refer to any work that is not in excess of a biannual period. Based on the above criteria set out in the Bill, the unequal treatment of those employed on a temporary basis is considered unlawful. The Bill extends the same principles to individuals employed on a contract basis and outlaws any form of bias or unequal treatment (Department of Labour, 2014).

In addition to the above, amendments to the Basic Conditions of Employment Act (BCEA, 1997) were proposed and signed into law. Partly motivated by the need to be in sync with International Labour Standards (Conventions 100 & 111), the Basic Conditions of Employment Amendment Bill (2012) has among other restrictions prohibited the practice that as a means to secure employment, employees are required by employers to make a payment. This practice has arguably been synonymous with labour brokers or temporary employment services. Mechanisms to enforce the implementation of this and other changes have been put in place, among them the increase in fines for employers that are found to be in contravention of these sections of the law (Department of Labour, 2014).

2.6 Chapter conclusion

This Chapter provided a review of the literature and an analysis of the theoretical frameworks that inform the need for this study. It examined the various facets of the psychological contract framework, the organisational identification framework, and presented how these continue to shape and influence the changing employment relationship in the world of work. Chapter 3 follows with a presentation of the research design and the methodological approach that was undertaken for the study.

CHAPTER 3: RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

Chapter 3 provides a presentation of this study's methodological approach, and reports on issues of data collection, the study population, study sample, study setting, as well as the instruments used in the data gathering. The subject of statistical procedure and analysis is also briefly introduced in this chapter.

3.2 Research design

A research design is defined as an outline or plan of how one intends to carry out their research (Mouton, 2001), or the inference of valid conclusions from a process of methodical planning (Reis & Judd, 2014). Procedures used in getting answers to the formulated research questions, how tasks are completed in the different components of the study, and the do's and don'ts in the research process are just some of the elements that make up the centre and

substance of the research design (Kumar, 1999). This study adopted a cross-sectional quantitative research design. Some of the characteristics that define and distinguish a quantitative research design include the attachment of numerical figures to the variables investigated (Flick, 2015; Miller, 2013; Vanderstoep & Johnston, 2009), the application of statistical analyses to the numbers gathered, placing emphasis on generalisation, finding the relationships between or amongst the variables being investigated, (Flick, 2015; Miller, 2013) and the representativeness of the results obtained (Miller, 2013). The ability to generalise findings from the sample to the overall population is one of the advantages of quantitative research. The lack of depth in the responses that research participants give, and the limited generalisability of small samples, are some of the disadvantages of quantitative research (Vanderstoep & Johnston, 2009).

3.3 Purpose of conducting research

“There are nearly as many reasons to conduct research as there are researchers” (Neuman, 2011, p. 38). Three perspectives can be used in the classification of why research is conducted. These three perspectives refer to the type of information that the study seeks to gather, the application of the research study and the objectives of the research (Kumar, 1999). If a research study has to be examined through the lens of its objectives, it can be categorised as descriptive, exploratory or explanatory research (Flick, 2015; Kumar, 1999; Neuman, 2011). An outline of the features that distinguish each of these three classifications of research is provided below.

For a study to be classified as descriptive, it would seek to systematically describe a phenomenon, a problem, a situation, program or service (Kumar, 1999). The outcome of descriptive research is to answer the research question or provide an in-depth picture of the issue being investigated (Neuman, 2011). It aims to present the issue under investigation through the use of numbers or words and through the categorisation of the variables under investigation. It also provides answers to questions such as who, how, where and when (Neuman, 2011). Descriptive research additionally provides some background or context to a situation, and documents the process of causation between or among variables (Neuman, 2011). Research may also be conducted for exploratory purposes. The paragraph below outlines some of the components and features that distinguish research designed for exploratory purposes.

Also known as a pilot or feasibility study, exploratory research aims at exploring subject matters or areas about which there is little or no knowledge (Kumar, 1999). The familiarisation of concerns, setting and facts, and the formulation of future research questions (Neuman, 2011) are some of the features that define and distinguish exploratory research. Studies for

explanatory purposes are the third classification of research studies. Explanatory studies aim to clarify the why and how of a relationship between two variables of a phenomenon (Kumar, 1999). It seeks to elaborate or enrich the explanations of a given theory and interrogates the credibility or accuracy of proposed predictions or theories. Furthermore, it seeks to determine the most valid explanations from a multitude of options (Neuman, 2011).

This study is descriptive and explanatory in nature as it seeks to describe the concepts of the psychological contract and organisational identification, and also explain the relationship or lack thereof between these two concepts. The adoption of both approaches to the study provides an in-depth perspective as indicated in the discussion of the results.

3.4 Research approach

The research model gives guidance to which approach to use when investigating a particular subject matter (Vanderstoep & Johnston, 2009). A research approach is broadly understood to be either quantitative or qualitative (Muijs, 2004; Vanderstoep & Johnston, 2009). The variation between these two approaches is that the former assigns numerical values to the variables under study (Flick, 2005; Miller, 2013; Muijs, 2004; Vanderstoep & Johnston, 2009), and makes use of statistical methods in analysing the gathered data (Muijs, 2004); the latter seeks to provide a narrative description of the phenomenon being investigated (Vanderstoep & Johnston, 2009) or understand in greater detail variables such as opinions, behaviours or attitudes of the research participants (Dawson, 2006). While some phenomena or variables (such as attitudes) may present themselves in non-quantitative formats, they can still be studied or collected quantitatively (Muijs, 2004). The conversion of phenomena that is naturally non-quantitative (such as beliefs and attitudes) can be done through the design and use of quantitative research tools that collect quantitative data which can then be analysed using statistical means (Muijs, 2004). This gives quantitative research a high degree of flexibility as the types of issues that can be studied are potentially limitless (Muijs, 2004).

In addition to the above, quantitative research places emphasis on comparisons at group level, generalising study results to a larger group, explaining causal relationships and giving answers to one or more theoretical questions (Miller, 2013). One of the main advantages of quantitative research is that it makes it possible to draw inferences about the larger population from which the selected sample of study participants is selected (Neuman, 2011; Vanderstoep & Johnston, 2009). However, there are some disadvantages to quantitative research as it becomes limited and merely scratches the surface when there is a need to explore a phenomenon in depth (Muijs, 2004). Quantitative research is also inappropriate when the subjects under study are of a complex nature or if the meaning behind certain circumstances needs to be investigated.

This research study adopted the quantitative approach as it best fits the research objectives that were presented in the preceding chapters. The use of structured questionnaires, the selection of a sample whose results may be generalised to the larger group and the use of statistical tools to analyse the gathered data are some of the aspects that define this study as quantitative in nature. The study acknowledges the advantages and limitations of the research approach that were discussed in the paragraphs above. The section that follows provides an outline of the research methodology.

3.5 Research methodology

This section outlines the research methodology presented in subsections that include population and sampling procedure, the instruments of measurement and statistical analyses issues.

3.5.1 Population and sampling

Clearly defining the target population before making sampling choices is crucial (Daniel, 2012). The definition of the target population should clearly stipulate the parameters of inclusion and exclusion into the group of potential study participants (Daniel, 2012). The target population can be defined as a collection or specific pool of individuals from which a sample can be drawn by the researcher and whose results can be generalised to the larger group (Neuman, 2011). Sampling on the other hand can be defined as "...the process of selecting a few (a sample) from a bigger group (the sampling population) to become the basis for estimating or predicting a fact, situation or outcome regarding the bigger group." (Kumar, 1999, p.148).

Some general sampling guidelines are provided in various literature. Sampling choices are generally influenced by a study's objectives, the design and approach of the research, that is, sampling choices may be influenced by whether a study is quantitative or qualitative in nature (Daniel, 2012). Irrespective of the sampling choices one makes, the understanding is that sampling in general has its advantages and disadvantages. Sampling entails the balancing of gains and losses that each sampling choice brings (Kumar, 1999). On the one hand, through sampling, resources (human and financial) and time may be saved, while on the other hand, the degree of accuracy in a study's findings may be compromised (Kumar, 1999). For all practical reasons and purposes, more often than not it is also not feasible for every member of the target population to participate in the study (Vanderstoep & Johnston, 2009). Various sampling methods may be used in the selection of a study sample. The section below provides an outline of the sampling methods.

3.5.2 Sampling methods

In general, the selection of a study's participants can be done in one of two ways, randomly or non-randomly (Vanderstoep & Johnston, 2009). When each member of a target population or sampling frame has an equal chance of being selected as a participant into the study sample, it entails random sampling (also known as probability sampling) (Vanderstoep & Johnston, 2009). The key determinants in non-random/non-probability sampling methods are the availability of potential participants and the common attributes they share that place them in the sampling frame (Vanderstoep & Johnston, 2009). One of the ways of collecting non-random samples is convenience sampling, which is a non-probability sampling method that selects participants primarily based on their availability to participate (Daniel, 2012; Kumar, 1999; Vanderstoep & Johnston, 2009).

This study's sample was selected using the convenience sampling technique given that access to call centre employees, particularly for the purposes of conducting research, is challenging. This is supported by Daniel (2012) who posits that convenience sampling is a better choice than other methods when it is a challenge to have access to a target population. Convenience sampling was also chosen for the advantage that Vanderstoep and Johnston (2009) describe as the simplicity with which study participants can be recruited. While that is the case, the study is not oblivious to the potential disadvantages that this sampling method may present. Like most non-probability sampling techniques, issues of representativeness of the selected sample has been noted to be a concern with convenience sampling (Vanderstoep & Johnston, 2009).

3.5.3 Units of analysis

The target population for the study comprised of part-time and permanent employees at two South African based corporate companies in the health and wellness industry whose services and/or functions are partly or entirely delivered through a call centre set-up. A sample for the study was selected from this study population using the sampling method discussed in the section above. Both companies have been in operation for no less than 15 years, have a staff complement of around 250 employees each and employ individuals of varying demographics of race, educational levels, age and gender.

Access to conduct research in both companies was granted following written applications submitted to designated leadership representatives of both companies. A copy of the written request seeking permission to conduct the research in both companies (Annexure C) is included in the Annexures section. The written application included an outline of the background and purpose of the study.

3.5.4 Demographic profile of respondents

Of the 195 sample group, 66.2% (129) were female while 33.8% (66) were male. Below is a diagrammatic representation of the breakdown of the sample group according to their gender.

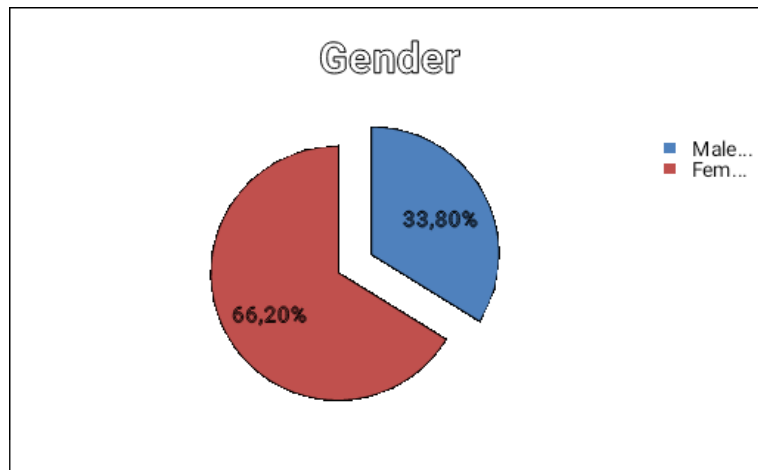


Figure 2: Gender distribution of respondents

The ethnic composition of the sample group was also analysed. Respondents identified themselves from a pool of ethnic groups that included Black, White, Coloured and Indian. There was also an option for the respondents to identify themselves as 'Other' if they did not fit into any of the aforementioned ethnic groups. The majority of the respondents (62.6%) identified themselves as Black. The sample also included 26.2% Whites, 5.6% Indians, 5.1% Coloured. Only one respondent (0.5%) identified themselves as 'Other'.

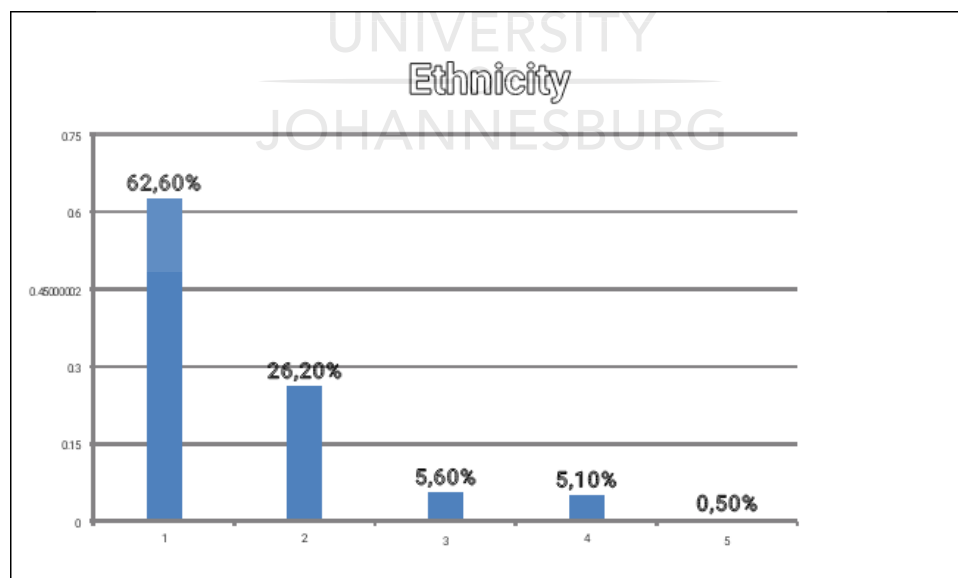


Figure 3: Ethnic distribution of respondents

Respondents were asked to identify their type of employment contract and had the options to

select either permanent or temporary employment contracts. More respondents (74.4%) identified their employment contracts as permanent compared to 25.6% who identified their employment contracts as temporary. The graph below provides a breakdown of the sample group based on their employment contract.

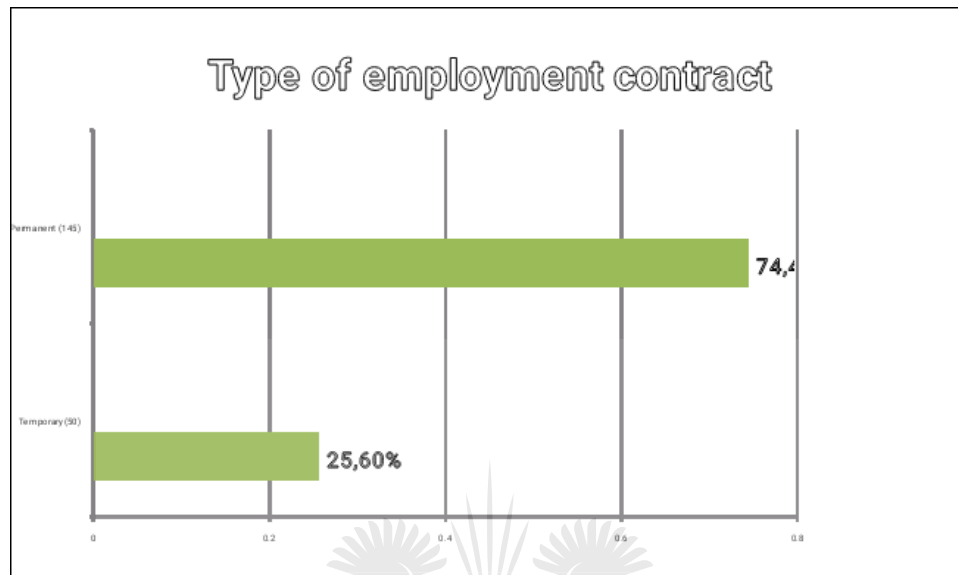
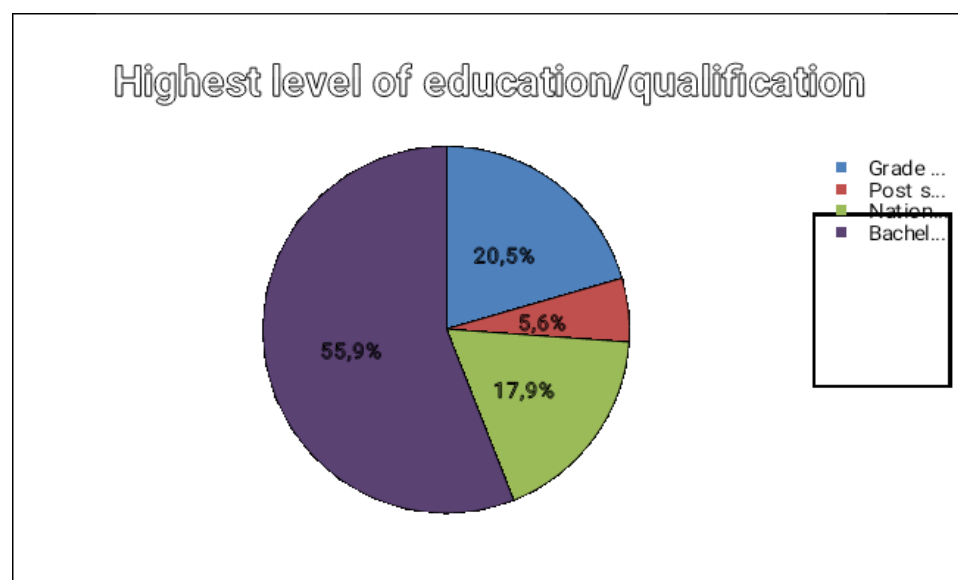


Figure 4: Respondents' type of employment contract

Holders of a Bachelor's/Masters or more degrees accounted for most of the respondents and constituted 55.9% of the sample group. On the other end, holders of a post-school certificate/diploma accounted for the least number of respondents constituting 5.6% of the sample group. The rest of the sample respondents were holders of a high school grade 12 (20.5%) or a national diploma/higher national diploma (17.9%). A breakdown of the sample group based on their highest attained education or qualification is shown in the chart below.



3.5.5 Measuring Instruments

This study used pre-existing questionnaires to measure the constructs under investigation. The measurement instruments used in this study, and deployed by means of both paper based and emailed surveys, are presented below:

The psychological contract scale: The psychological contract scale was developed by Robinson, Kraatz and Rousseau (1994). This scale was used to measure the psychological contract perceptions of the target population. The scale measured employee perceptions concerning obligations to their employer and their employer to them (Robinson, Kraatz & Rousseau, 1994). There were four subscales within the psychological contract questionnaire that were used. These were the employer obligations scale, the employee obligations scale, the employer violation scale and the employee violation scale.

- (a) **Employer obligations:** Perceived employer obligations were assessed using a five-point scale (1 = not at all obliged; 5 = very much obliged). Participants were asked to state the extent to which they perceived their employer as obligated to provide them with the following:

- Advancement
- High pay
- Pay based on current level of performance
- Training
- Long term job security
- Career development
- Support with personal problems

- (b) **Employee obligations:** The same five-point scale was used to assess employees' perceptions of their obligations towards their employer. Participants were asked to consider their relationship with their employer and to state the extent to which they were obligated to provide their employer with the following eight items:

- Working extra hours
- Loyalty
- Volunteering to do non-required tasks on the job
- Giving advance notice if taking a job elsewhere
- Willingness to accept a transfer
- Refusal to accept the organisation's competitors
- Protection of proprietary information
- Spending a minimum of two years in the organisation

- (c) **Employer violation:** A five-point scale (1 = not well at all; 5 = very well) was used to assess employers' violation of obligations. Employees were asked to consider their relationship with their employer and assess how well they perceived their employer had fulfilled the obligations stated under the Employer Obligations Scale. An example of a question in this subscale was: How well has your employer actually provided obligations such as high pay, long term job security, training, advancement? etc.
- (d) **Employee violation:** Employees were asked to consider their relationship with their employer and assess how well they perceived they had actually provided to the employer their obligations. They had to rate this on a scale of 1 to 5, with one being "Not well at all" and 5 being "Very well". Respondents were asked how well they perceived they had provided among other things working extra hours, loyalty, protection of proprietary information and volunteering to do non-required tasks on the job.

A copy of the psychological contract scale that was used has been attached to the Annexure section (please refer to Annexure B). Conway and Briner (2005) reported a Cronbach alpha of .86 for the psychological contract scale.

The organisational identification scale: The organisational identification scale designed by Mael and Ashforth (1992) was used for the purpose of this study. This scale comprises of six questions which seek to measure employees' sense of belonging or psychological attachment to their organisations. Edwards (2005) suggests that this scale has been widely used in research studies that seek to measure the concept of organisational identification. Participants were presented with six statements that are intended to assess how they feel about their organisation. On a scale of 1 to 5, with 1 being strongly disagree and 5 being strongly agree, study participants were asked to read each of the six statements and to choose a rating that best describes how they feel about their organisation. Below are three examples of the six organisational identification statements that were presented to participants to rate:

- When someone criticizes the organisation it feels like a personal attack.
- I am very interested in how others think about this organisation.
- When someone praises this organisation, it feels like a personal compliment.

Previous studies that have used the organisational identification scale have reported good reliability and validity scores for this instrument. Edwards (2005) reported an average Cronbach alpha of .85 for this scale. A copy of the organisational identification scale has been attached to this research report (please refer to Annexure B).

3.5.6 Statistical analysis

The gathered research data were analysed using the 18th version of the Statistical Package for the Social Sciences (SPSS). The gathered data were entered into a consolidated excel spreadsheet that was then submitted to the University of Johannesburg's Statistical Consultation Services (STATKON) for further data analysis. The results of the study are presented through the use of inferential statistics and descriptive statistics.

3.5.7 Descriptive statistics

Descriptive statistics serve a number of purposes. These include describing the characteristics of the sample, checking for violations in the study variables that underpin the statistical techniques used, and addressing the study's research questions (Pallant, 2007). The following measures were conducted - the mean, median, mode, the standard deviation, the skewness and kurtosis. Below are brief explanations of the measures used in the descriptive statistics analysis.

The mean refers to the average, the mode refers to the central tendency measure, while the median is the common measure of central tendency (Miles & Barnyard, 2009). The skewness value provides some indication of the evenness of the distribution, while kurtosis on the other hand shows the highest point of distribution in the scores (Pallant, 2007). The skewness and kurtosis values help to assess the normality of the scores.

3.5.8 Inferential statistics

Inferential statistics are of significance because they allow for the identification of variations in the study populations through the testing of hypotheses (Tabachnick & Fidell, 2007), or the drawing of judgments about the larger population using the findings made from a sample (Zikmund, 2000). In this study, during data analysis, it was established that the data was not normally distributed. As a result, the Spearman correlation was used instead of the Pearson correlation. Below is a discussion on the factor analysis procedure that was followed, the item and scale reliability analyses and the logistic regression analyses.

3.6 Factor analysis

Factor analysis is a technique aimed at data reduction by means of taking large sets of variables and reducing them into summarised sets of components or factors (Pallant, 2007). There are two main types of factor analysis namely exploratory factor analysis (EFA) and confirmatory factor analysis (CFA) (Pallant, 2007). In the current study exploratory factor analysis was used. It was used for the purposes of exploring the intercorrelationships among the various sets of variables in the study. It is highly recommended if the study is exploratory in nature EFA is used (Tabachnick & Fidell, 2007). The EFA was conducted on two levels and

the steps taken are discussed further below.

3.6.1 First-level factor analysis

Firstly, items within the scale were inter-correlated. Thereafter, the sampling adequacy and sphericity of the inter-correlation matrix were assessed with the Kaiser-Meyer-Olkin (KMO), Measure of Sampling Adequacy (MSA) and Bartlett's test of sphericity. Items that did not display the recommended KMO-MSA coefficients (<0.60) in the anti-image correlation matrix, or that did not meet the criterion (<0.30) for extracted communalities were removed. Thereafter the eigenvalues of the unreduced item inter-correlation matrix were calculated. The number of factors to be extracted was then postulated according to Kaiser's (1970) criterion (eigenvalues greater-than-unity). Different extraction methods were used in analysing the data. These included Principal Axis Factoring (PAF) and the Principal Component Analysis (PCA).

3.6.2 Item and scale reliability analyses

A reliability analysis was conducted on the psychological contract and organisational identification scales. This was done in line with the reliability analysis procedure recommended by Pallant (2007). Calculations for each of the sub-scales' internal consistencies were conducted and these were presented in the form of Cronbach alpha coefficients. The Cronbach alpha coefficient is the most commonly used indicator of a scale's internal consistency (Pallant, 2007). A Cronbach alpha value greater than .7 is considered acceptable (Pallant, 2007).

3.6.3 Logistic regression analysis

Logistic regression analysis was used instead of multiple regression analysis because the gathered data was skew and the scores were not normally distributed. Logistic regression was therefore used in order to make the skew data more linear. Logistic regression is also used in instances where there are categorical dependent variables which are not suitable for conducting multiple regression analysis (Pallant, 2007; Peng, Lee & Ingersoll, 2002). Logistic regression is therefore the alternative of multiple regression analysis and allows for the testing of models and predicting categorical outcomes with more than two categories (Pallant, 2007; Peng, Lee & Ingersoll, 2002).

Prior to the regression analysis, three assumptions were tested. These were the sample size, multicollinearity and outliers. The sample size was tested in order to establish that the sample can be generalised to other larger samples. There is insignificant scientific value in samples whose results cannot be generalised to other samples (Pallant, 2007). Multicollinearity was used to assess the relationship among the independent variables. Testing for outliers was

meant to identify or isolate very high or very low scores in comparison to the rest of the data set, in other words cases that are not well explained by the model (Pallant, 2007). Direct logistic regression was used in analysing the data. This allows for the exploring of the predictive ability of sets of variables (Pallant, 2007).

3.7 Ethical considerations

The general ethical considerations that apply to social research were followed. In the interests of ensuring informed consent from the research participants, an outline of the purpose of the research as well as the intended use of the research results was articulated to the participants in the form of a cover letter that was attached to the actual questionnaire. The research participants were advised in the cover letter that their participation was voluntary and as such, no direct or indirect means of coercion were used in order to obtain their participation in the study.

The identities of the research participants were also kept in confidence at all times and no identifying particulars of the participants were sought other than their basic demographics such as gender, ethnicity, educational qualification, job level and tenure. It was ensured that there was no prejudice of any manner that befell the study participants for choosing either to participate in the study or not. At the data analysis stage, respondents were assigned unique identifying codes so that their responses could not be traced back to any specific respondent.

3.8 Chapter conclusion

This section presented an outline of the research design and research method. Under these headings issues relating to the purpose of conducting research, sampling procedures, the demographic profile of the participants, measuring instruments and the statistical analysis utilised were discussed. The ensuing section of the study, Chapter 4, will present the findings of the study from the data analysis conducted. The findings will be presented mostly in tabular form, with the relevant accompanying explanations.

CHAPTER 4: RESULTS

4.1 Introduction

In the preceding chapter, the study's research design and methodology were discussed. Details were presented on the chosen research design, the measuring instruments used, the study participants' profile, the research procedures used and the statistical analyses conducted. This chapter reports on the results of the statistical analyses conducted. In some parts tabular representations of the results of the statistical analyses are provided. Descriptive statistics for each of the scales used in the study are presented. Thereafter the factor analyses for the different scales are presented. Lastly, a presentation follows on the results pertaining to the research objectives. This chapter is then concluded with a summary of the results that are reported.

4.2 Descriptive statistics

In Table 4.1 below the item descriptive statistics results are presented for the psychological contract scale, with each of its subscales.

Table 4.1: *Descriptive Statistics of the Psychological Contract Questionnaire (N=195)*

Item	N	Mean	Std. Deviation	Skewness	Kurtosis
<i>Perceptions of the employer's obligations</i>					
B1.1 Advancement	195	2.92	1.320	-0.34	-.988
B1.2 High pay	195	3.11	1.323	-.210	-1.01
B1.3 Pay based on current levels of performance	195	3.72	1.287	-.763	-.426

B1.4 Training	195	3.77	1.301	-.867	-.352
B1.5 Long-term job security	195	3.53	1.333	-.495	-.883
B1.6 Career development	195	3.75	1.302	-.827	-.366
B1.7 Support with personal problems	195	3.09	1.248	-.064	-.951
<i>Perceptions of the employee's obligations</i>					
B2.1 Working extra hours	195	2.88	1.383	.117	-1.20
B2.2 Loyalty	195	4.04	1.076	-1.02	.449
B2.3 Volunteering to do non-required tasks on the job	195	3.24	1.157	-.240	-.457
B2.4 Giving advance notice if taking a job elsewhere	195	4.10	1.115	-1.12	.495
B2.5 Willingness to accept a transfer	195	3.15	1.274	-.116	-.904
B2.6 Refusal to support the organisation's competitors	195	3.60	1.408	-.536	-1.02
B2.7 Protection of propriety information. For example; Do you believe that you should protect your company's information?	195	4.73	.635	-2.77	8.65
B2.8 Spending a minimum of two years in the organisation	195	2.88	1.416	.077	-1.23
<i>Employee perceptions of the employer's violation of the psychological contract</i>					
D1.1 Advancement	195	2.63	1.183	.241	-.686
D1.2 High pay	195	2.55	1.113	.216	-.643
D1.3 Pay based on current levels of performance	195	2.84	1.162	.056	-.641
D1.4 Training	195	2.98	1.182	.011	-.837
D1.5 Long-term job security	195	3.28	1.152	-.345	-.478
D1.6 Career development	195	2.61	1.189	.218	-.742
D1.7 Support with personal problems	195	3.31	1.227	-.398	-.816
<i>Perceptions of employee violation of the psychological contract</i>					
E1.1 Working extra hours	195	3.86	1.234	-.832	-.396
E1.2 Loyalty	195	4.34	.952	-1.53	2.16
E1.3 Volunteering to do non-required tasks on the job	195	3.90	1.173	-.969	.162
E1.4 Giving advance notice if taking a job elsewhere	195	3.71	1.269	-.643	-.478
E1.5 Willingness to accept a transfer	195	3.48	1.278	-.368	-.757
E1.6 Refusal to support the organisation's competitors	195	3.94	1.163	-.922	.101
E1.7 Protection of propriety information. For example; Do you believe that you should protect your company's information?	195	4.63	.785	-2.52	6.90
E1.8 Spending a minimum of two years in the organisation	195	4.06	1.221	-1.15	.278

The average mean value for item B2.7 – “To what extent do you believe that you as an employee are obliged to provide protection of proprietary information...” (4.73) was the highest of the psychological contract items. The item that had the least average mean score was

D1.2 – “How well has your employer actually provided high pay?” This had a mean score of 2.55. The standard deviation for the protection of proprietary information item (.635) is fairly low compared to the standard deviations of other scale items which were in relatively close proximity.

Further inspection of Table 4.1 reveals that the data from the different scales were negatively skewed. The normality of the data was also further investigated through the use of histograms which also showed that the data was not normally distributed.

Table 4.2: *Descriptive Statistics of the Organisational Identification Scale (N=195)*

Item	N	Mean	Std. Deviation	Skewness	Kurtosis
C1.1 When someone criticizes this organisation, it feels like a personal attack	195	3.31	1.268	-.285	-.855
C1.2 I am very interested in how others think about this organisation	195	3.74	1.179	-.661	-.400
C1.3 When I talk about this organisation I usually say 'we' rather than 'they'	195	3.94	1.172	-.977	.139
C1.4 The organisation's successes are my successes	195	3.89	1.196	-.840	-.204
C1.5 When someone praises this organisation, it feels like a personal compliment	195	3.84	1.140	-.823	-.031
C1.6 If a story in the media criticized this organisation, I would feel embarrassed	195	3.96	1.235	-1.017	.013

Statement C1.6 - “If a story in the media criticised this organisation, I would feel embarrassed” recorded the highest mean value of 3.96. Statement C1.1 - “When someone criticizes this organisation, it feels like a personal attack” had the lowest mean value of 3.31 compared to the other items in the scale. Further inspection of Table 4.2 reveals that the data from the organisational identification scale was negatively skewed. The normality of the data was also further investigated through the use of histograms which also showed that the data was not

normally distributed.

4.3 Factor analysis

Factor analysis was done on each of the psychological contract subscales and the organisational identification scale. The four psychological contract subscales were the employer obligations scale, the employee obligations scale, the employer violation scale and the employee violation scale. These sub-scales were subjected to Exploratory Factor Analysis (EFA) using SPSS Version 18. In the sections that follow, the factor and reliability analyses for each of the sub-scales will be shown.

4.3.1 Factor analysis for the employer obligations scale

In order to verify that the employer obligations scale was suitable for factor analysis, checks were conducted using two statistical measures - the Kaiser-Meyer-Olkin Measure of Sampling Adequacy value (KMO) which is recommended to be .6 or greater, and the Bartlett's Test of Sphericity value which should be significant (Pallant, 2007). In this instance, the KMO value was .883 and the Bartlett's test was significant ($p = .000$). These results are presented in Table 4.3 that follows. In the intercorrelation matrix all of the items revealed correlation coefficients that were greater than .3, an indication that they could be factor analysed.

The Bartlett's Test of Sphericity was significant as it revealed a chi-squared value of ($X^2 = 590.849$, $p \leq .000$). In addition, it was revealed through the anti-image matrix testing that the sampling adequacy was greater than .9, confirming that the correlations among the individual items were suitable for factor analysis. Through the Principal Axis Factoring of the employer obligation scale, one factor was extracted, and it accounted for 56.60% of the variance. It was then decided to retain the one component.

Catell's (1966) scree test is the other factor extraction technique that was used in deciding how many factors to retain. Through SPSS each of the eigenvalues were plotted and inspected on the plot in order to establish the point in the plot where the curve's direction changes (Pallant, 2007). It is recommended that all factors that are above the elbow or before the break in the plot are retained (Catell, 1966). The factors above the elbow make the most contribution in terms of explaining the variance in the set of data (Pallant, 2007). The scree plot below for the employer obligation scale shows only one factor that is above the elbow.

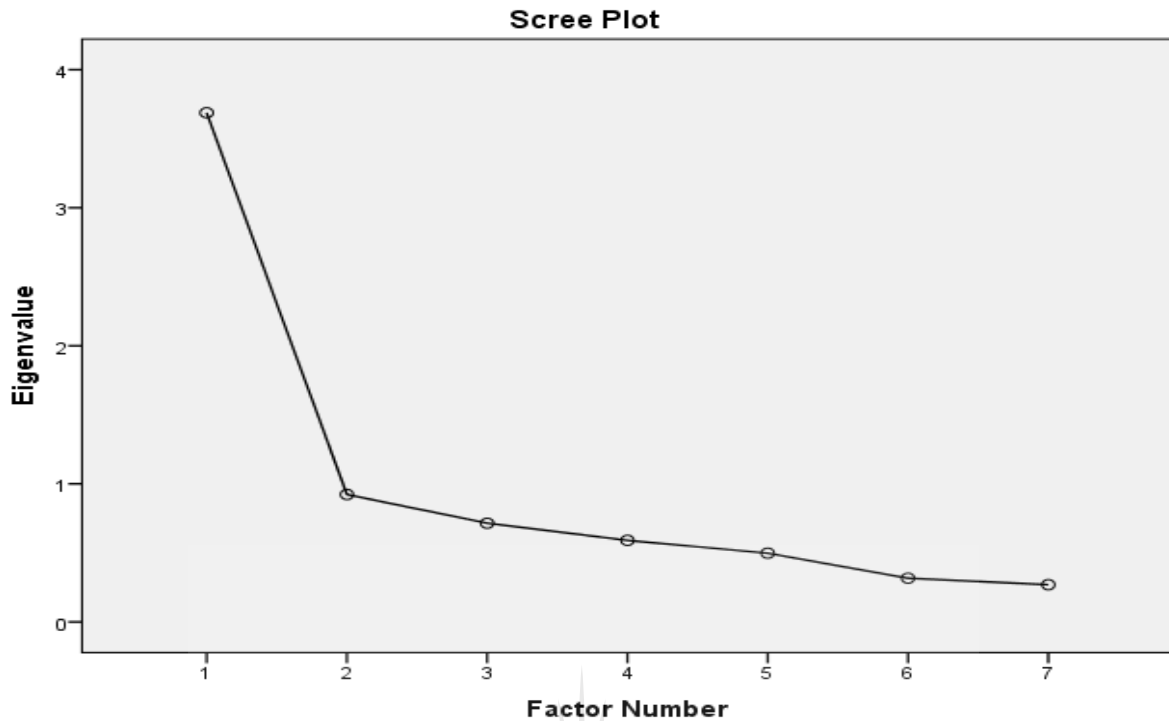


Figure 6: Scree plot for the Employer Obligations Scale

Table 4.3: Eigenvalues of the factors of the Employer Obligations scale

Factor	Initial Eigenvalues		
	Total	% of Variance	Cumulative %
1	3.962	56.597	56.597
2	.786	11.228	67.825
3	.686	9.793	77.618
4	.481	6.869	84.487
5	.440	6.282	90.768
6	.388	5.541	96.309
7	.258	3.691	100.000

In order to determine the number of factors to retain, the factor matrix was reviewed. All the unrotated loadings were above .4. This suggests that the 1 factor solution is more appropriate. Due to only 1 factor being extracted, the solution was not rotated.

4.3.2 Item iterative reliability analysis of the employer obligations scale

Through the iterative reliability analysis the employer obligations scale shown in Table 4.4 below yielded a Cronbach alpha of .87, an indication of acceptable reliability. It is recommended that a minimal level of .7 is recorded for a scale to be considered reliable (Nunally, 1978). A Cronbach Alpha of less than .7 is indicative of a scale that has a

multidimensional structure (Pallant, 2005).

Table 4.4: *Iterative Reliability Analysis: Employer Obligations Scale (excluding item B1.7)*

	Scale Mean If Item Deleted	Scale Variance If Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha If Item Deleted
B1.1	17.88	27.723	.577	.364	.864
B1.2	17.69	26.492	.678	.479	.846
B1.3	17.09	27.132	.648	.440	.851
B1.4	17.04	26.334	.707	.580	.841
B1.5	17.27	26.817	.644	.420	.852
B1.6	17.06	25.724	.762	.628	.831

Item B1.7 was not used as it had the lowest factor loading.

4.3.3 Factor analysis for the employee obligations scale

Prior to the data analysis on the employee obligations scale, checks were done in order to verify the scale's suitability for factor analysis. These checks were conducted through verifying that the Kaiser-Meyer-Olkin Measure of Sampling Adequacy value (KMO) was .6 or greater, and that the Bartlett's Test of Sphericity value was significant (Pallant, 2007). In this instance, the KMO value was .722 and the Bartlett's test was significant ($p = .000$). In the intercorrelation matrix all of the items revealed correlation coefficients that were greater than .3, an indication that they could be factor analysed.

The Bartlett's Test of Sphericity was significant as it revealed a chi-squared value of ($X^2 = 261.469$, $p \leq .000$). Factor analysis was appropriate as the KMO value was .722 which is above the recommended value of .6 (Kaiser, 1970). In addition, it was revealed through the anti-image matrix testing that the sampling adequacy was greater than .9, confirming that the correlations among the individual items were suitable for factor analysis.

Through Principal Component Analysis of the employee obligations scale in the second step of factor analysis, two factors were extracted explaining 33.17% and 17, 09% of the variance respectively. Both accounted for 50.27% of the variance. These two factors are shown in Table 4.5 that follows. Both had eigenvalues greater than 1 based on Kaiser's criterion of factor extraction.

Table 4.5: *Eigenvalues of the Factors of the Employee Obligations Scale*

Factor	Total	Initial Eigenvalues	Cumulative %
		% of Variance	
1	2.654	33.176	33.176
2	1.368	17.097	50.273

3	.970	12.121	62.394
4	.755	9.434	71.829
5	.678	8.469	80.298
6	.627	7.842	88.140
7	.499	6.239	94.380
8	.450	5.620	100.000

Catell's scree test (Catell, 1966) is the other factor extraction technique that was used in deciding how many factors to retain. Through SPSS each of the eigenvalues were plotted and inspected on the plot in order to establish the point in the plot where the curve's direction changes (Pallant, 2007). It is recommended that all factors that are above the elbow or before the break in the plot are retained (Catell, 1966). The factors above the elbow make the most contribution in terms of explaining the variance in the set of data (Pallant, 2007). The scree plot below for the employee obligation scale shows two factors that are above the elbow and these were retained.

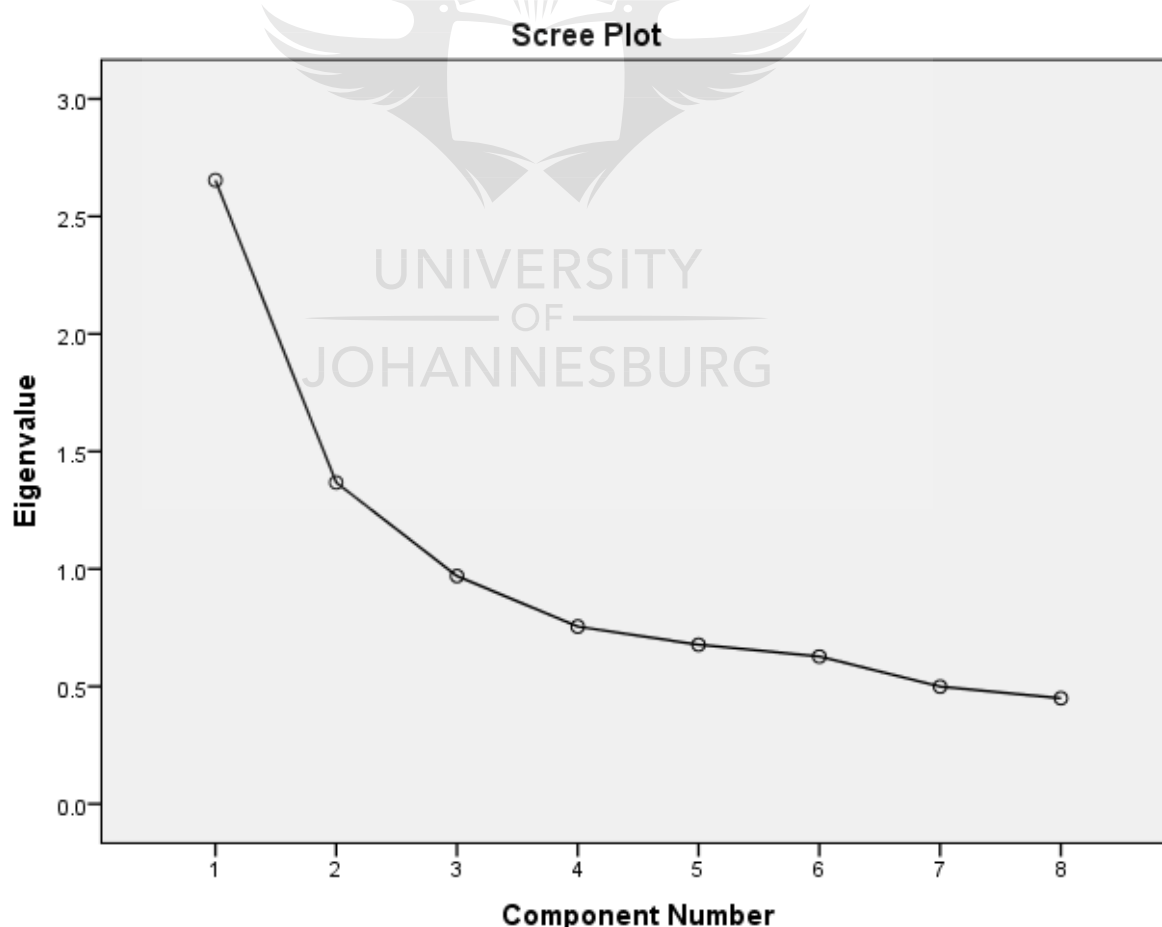


Figure 7: Scree plot of the Employee Obligations Scale

The Direct Oblimin (oblique technique) with Kaiser Normalisation rotation method was used to rotate the factor matrix. From the rotation two factors were extracted. Results of the rotated factor matrix are presented in Table 4.6 presented on the next page.

Table 4.6: *Pattern and Structure Matrix for PCA with Oblimin of Two Factor Rotation Solution of the Employee Obligations Items*

Items	Pattern Coefficients		Structure Coefficients		Communalities
	1	2	1	2	
B2.1 Working extra hours	.791		.773		.602
B2.8 Spending a minimum of two years in the organisation	.782		.707		.579
B2.3 Volunteering to do non-required tasks on the job	.618		.668	.352	.480
B2.2 Loyalty	.487		.562	.416	.394
B.2.5 Willingness to accept a transfer	.462		.525	.364	.331
B2.4 Giving advance notice if taking a job elsewhere		.785		.779	.607
B2.7 Protection of propriety information. For example; Do you believe that you should protect your company's information?		.782		.758	.582

B2.6 Refusal to support the organisation's competitors		.587	.352	.639	.446
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Inspection of Table 4.6 shows that there were five main loadings on Factor 1. These loadings were items B2.1; B2.8; B2.3; B2.2; B2.5. The loadings on this component point to employee relational obligations to the employer. On the other end, three items loaded under Factor 2 and these were B2.4; B2.7 and B2.6. These items point to employee transactional psychological contracts of employees. The interpretation of the two components is consistent with previous research done on this scale (Robinson, Kraatz, & Rousseau, 1994). Furthermore, the correlation between the two components was shown to also be fairly low as the component correlation matrix value was .258. Components that are more strongly correlated ideally have a value above .3 (Pallant, 2007).

4.3.4 Item iterative reliability analysis

Through the iterative reliability analysis of items that loaded under Factor 1, a Cronbach alpha of .672 was recorded based on the standardised items under this Factor. While this score is below the recommended minimal level of .7 (Nunally, 1978), the shortfall can be explained by the small number of items that loaded under Factor 1. The analysis of items loaded under Factor 1 is presented in the Table below.

Table 4.7: *Iterative Reliability Analysis of Factor 1 Employee Obligations Sub-Scale Items*

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
B2.1 Working extra hours	13.30	10.789	.509	.279	.576
B2.2 Loyalty	12.14	13.216	.377	.171	.639
B2.3 Volunteering to do non-required tasks on the job	12.94	12.151	.475	.238	.598
B2.5 Willingness to accept a transfer	13.03	12.442	.363	.164	.646
B2.8 Spending a minimum of two years in the organisation	13.30	11.408	.409	.184	.628

An iterative reliability analysis was also done for the three employee obligations sub-scale items that loaded under Factor 2. These were items 2.4; 2.7 and 2.6. These items are presented in the Table that follows. A Cronbach alpha score of .612 for the three items was recorded. While the Cronbach alpha score level for the three items under Factor 2 is below the recommended minimal score of .7 (Nunally, 1978), this can be explained by the small number of items that loaded under Factor 2. These items point to employees' transactional obligations towards their employer.

Table 4.8: *Iterative reliability analysis of factor 2 Employee Obligations Sub-Scale items*

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
B2.4 Giving advance notice if taking a job elsewhere	8.33	3.048	.365	.170	.434
B2.6 Refusal to support the organisation's competitors	8.83	2.193	.368	.158	.499
B2.7 Protection of propriety information.	7.70	4.099	.470	.224	.426

4.3.5 Factor analysis of the employer violation scale

In order to verify that the gathered data set was suitable for factor analysis, checks were conducted to ensure that the Kaiser-Meyer-Olkin Measure of Sampling Adequacy value (KMO) was .6 or greater (Kaiser, 1970), and that the Bartlett's Test of Sphericity value was significant (Pallant, 2007). In this instance, the KMO value was .846 and the Bartlett's test (Bartlett, 1954) was significant ($p = .000$). These results are presented in Table 4.10 that follows. In the intercorrelation matrix all of the items revealed correlation coefficients that were greater than .3, an indication that they could be factor analysed.

The Bartlett's Test of Sphericity was significant as it revealed a chi-squared value of ($\chi^2 = 533.765$, $p \leq .000$). In addition, it was revealed through the anti-image matrix testing that the sampling adequacy was greater than .9, confirming that the correlations among the individual items were suitable for factor analysis.

Catell's scree test (Catell, 1966) is the other factor extraction technique that was used in deciding how many factors to retain. Through SPSS each of the eigenvalues were plotted and inspected on the plot in order to establish the point in the plot where the curve's direction changes (Pallant, 2007). It is recommended that all factors that are above the elbow or before the break in the plot are retained (Catell, 1966). The factors above the elbow make the most contribution in terms of explaining the variance in the set of data (Pallant, 2007). The scree plot below for the employer violation scale shows only one factor that is above the elbow.

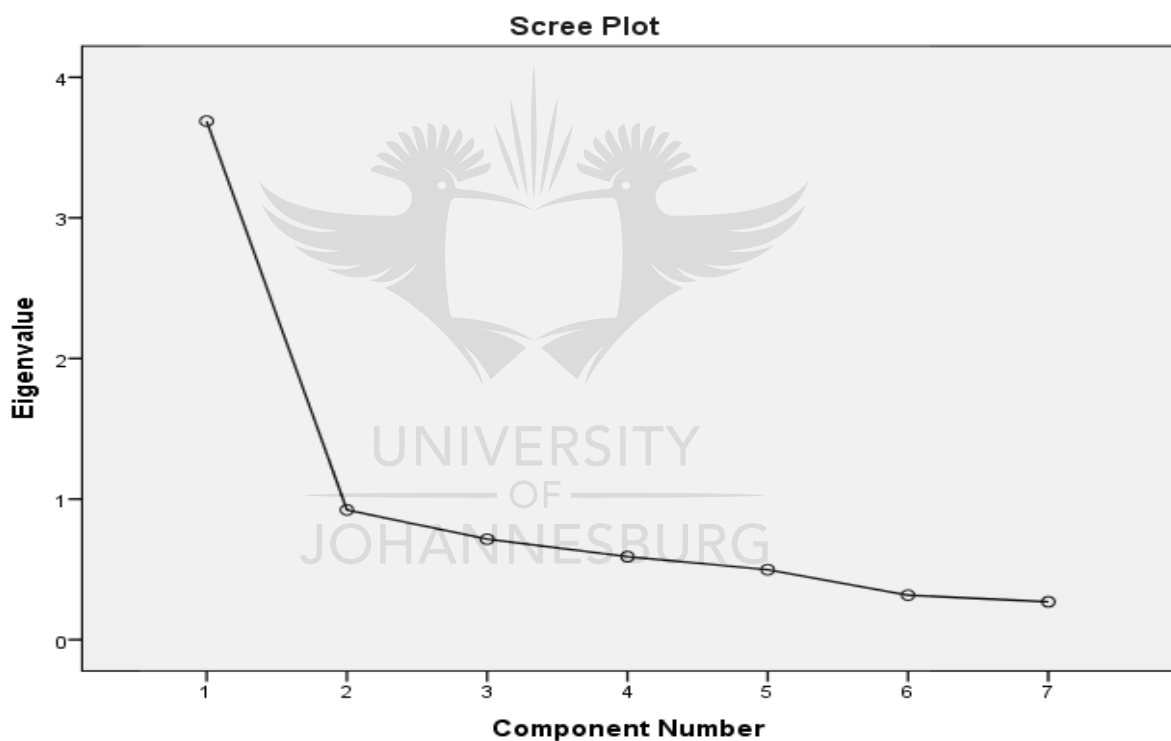


Figure 8: Scree plot of the Employer Violation Scale

Through Principal Axis Factoring of the employer violation scale, one factor was extracted as it had an eigenvalue greater than 1 based on Kaiser's criterion of factor extraction. This factor accounted for 52.69% of the variance. It was then decided to retain the one component due to the fact that only one factor was extracted, the solution was therefore not rotated.

Table 4.9: Eigenvalues of the Factors of the Employer Violation Scale

Factor	Initial Eigenvalues
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	Total	% of Variance	Cumulative %
1	3.688	52.687	52.687
2	.923	13.185	65.872
3	.715	10.212	76.084
4	.591	8.437	84.521
5	.497	7.107	91.628
6	.317	4.522	96.150
7	.270	3.850	100.000

4.3.6 Iterative reliability analysis of the employer violation scale

Through the iterative reliability analysis the employee violation scale a Cronbach Alpha of .846 was recorded, thus indicating an acceptable level of reliability as it surpasses the recommended .7 level. A Cronbach Alpha of less than .7 is indicative of a scale that has a multidimensional structure (Pallant, 2007). It is recommended that a minimal level of .7 is recorded for a scale to be considered reliable (Nunally, 1978).

Table 4.10: *Iterative Reliability Analysis of the Employer Violation Scale*

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
D1.1 Advancement	17.58	25.760	.656	.549	.817
D1.2 High pay	17.66	25.823	.705	.606	.810
D1.3 Pay based on current levels of performance	17.37	27.069	.547	.382	.833
D1.4 Training	17.23	26.248	.610	.445	.824
D1.5 Long-term job security	16.93	28.211	.449	.243	.847
D1.6 Career development	17.60	24.870	.738	.583	.804
D1.7 Support with personal problems	16.90	26.814	.528	.301	.836

4.3.7 Factor analysis of the employee violation scale

Prior to the data analysis on the employee violation scale, checks and verification of the data's suitability for factor analysis was done. The verification was conducted through checking that the Kaiser-Meyer-Olkin Measure of Sampling Adequacy value (KMO) was .6 or greater, and that the Bartlett's Test of Sphericity value was significant (Pallant, 2007). In this instance, the KMO value was .742 and the Bartlett's test was significant ($p = .000$). In the intercorrelation matrix all of the items revealed correlation coefficients that were greater than .3, an indication that they could be factor analysed.

The Bartlett's Test of Sphericity was significant as it revealed a chi-squared value of ($X^2 = 275.429$, $p \leq .000$). Factor analysis was appropriate as the KMO value was .742 which is above the recommended value of .6 (Kaiser, 1970). In addition, it was revealed through the anti-image matrix testing that the sampling adequacy was greater than .9, confirming that the correlations among the individual items were suitable for factor analysis.

Catell's scree test (Catell, 1966) is the other factor extraction technique that was used in deciding how many factors to retain. Through SPSS each of the eigenvalues were plotted and inspected on the plot in order to establish the point in the plot where the curve's direction changes (Pallant, 2007). It is recommended that all factors that are above the elbow or before the break in the plot are retained (Catell, 1966). The factors above the elbow make the most contribution in terms of explaining the variance in the set of data (Pallant, 2007). The scree plot below for the employee violation scale shows the two retained factors that were above the elbow.

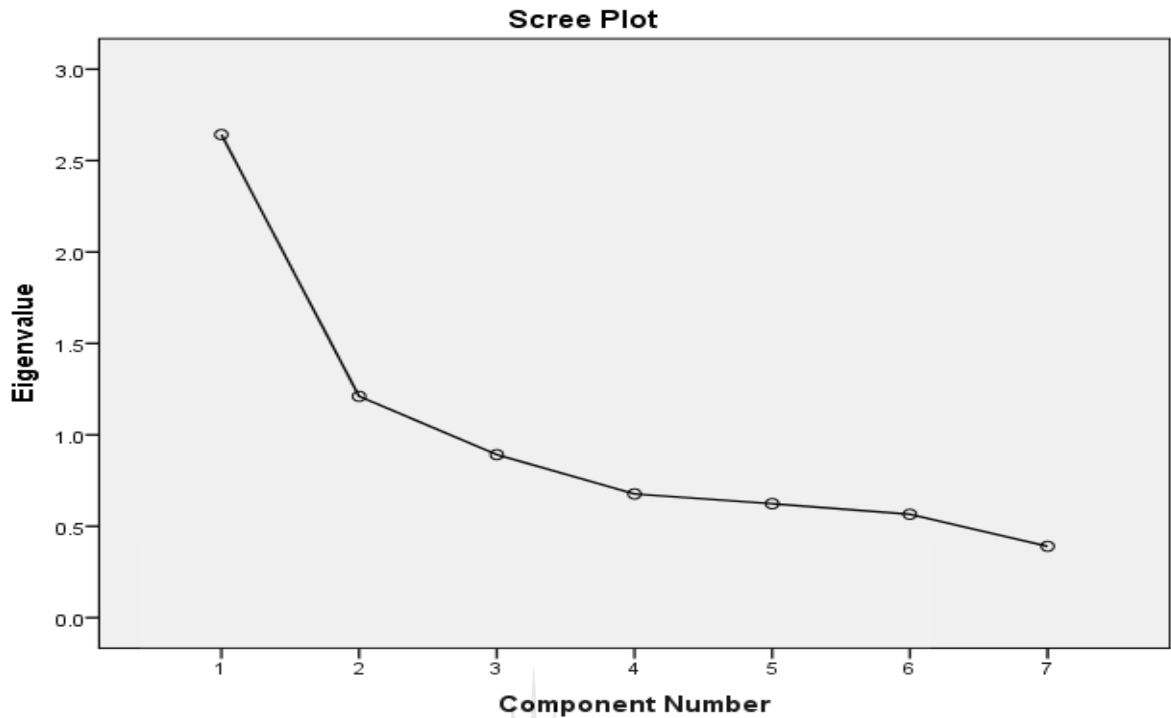


Figure 9: Scree plot of the Employee Violation Scale

Through Principal Axis Factoring of the employee violation scale in the second step of factor analysis, two factors were extracted which explained 34.25% and 15.45% respectively. These two factors are shown in the Table that follows. These factors had eigenvalues greater than 1 based on Kaiser's criterion of factor extraction.

Table 4.11: Eigenvalues of the Factors of the Employee Violation Scale

Factor	Total	Initial Eigenvalues	
		% of Variance	Cumulative %
1	2.740	34.255	34.255
2	1.236	15.456	49.710
3	1.008	12.598	62.309
4	.793	9.916	72.225
5	.677	8.457	80.682
6	.614	7.679	88.361
7	.552	6.906	95.267
8	.379	4.733	100.000

To aid in the interpretation of these 2 components, the Varimax with Kaiser Normalisation rotation method was used to rotate the factor matrix. Results of the rotated factor matrix are presented in Table 4.12 below. There were six main loadings on Factor 1. These loadings were items E1.2; E1.7; E1.1; E1.8; E1.3; E1.6. The loadings on this component represent employees either violating relational obligations or not. On the other end, two items loaded under Factor 2 and these were items E1.5 and E1.4. This factor represents employees either violating transactional obligations or not.

Table 4.12: *Rotated Factor Matrix of the Employee Violation Scale*

	Factor	
	1	2
E1.2 Loyalty	.793	
E1.7 Protection of proprietary information. For example; do you believe that you should protect your company's information?	.555	
E1.1 Working extra hours	.538	
E1.8 Spending a minimum of two years in the organisation	.488	
E1.3 Volunteering to do non-required tasks on the job	.475	
E1.6 Refusal to support the organisation's competitors	.301	
E1.5 Willingness to accept a transfer to another department		.784
E1.4 Giving advance notice if taking a job elsewhere		.464

As seen in Table 4.12 above, both components showed a number of strong loadings, none less than .3. The interpretation of the two components was consistent with previous research on this scale (Robinson, Kraatz & Rousseau, 1994). There was a medium negative correlation between the two factors ($r = -.475$). What follows is the iterative reliability analysis of the employee violation scale.

4.3.8 Iterative reliability analysis of the employee violation scale

Through the iterative reliability analysis the employee violation scale a Cronbach Alpha of .712 was recorded, thus indicating an acceptable level of reliability as it surpasses the

recommended .7 level. A Cronbach Alpha of less than .7 is indicative of a scale that has a multidimensional structure (Pallant, 2007). It is recommended that a minimal level of .7 is recorded for a scale to be considered reliable (Nunnally, 1978).

Table 4.13: *Iterative Reliability Analysis of the Employee Violation Scale*

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
E1.1 Working extra hours	28.06	20.574	.451	.361	.657
E1.2 Loyalty	27.58	21.142	.582	.458	.637
E1.3 Volunteering to do non-required tasks on the job	28.02	20.814	.463	.251	.655
E1.4 Giving advance notice if taking a job elsewhere	28.22	21.366	.355	.193	.681
E1.5 Willingness to accept a transfer to another department	28.45	21.867	.305	.198	.693
E1.6 Refusal to support the organisation's competitors	27.98	23.154	.236	.113	.705
E1.7 Protection of proprietary information	27.30	23.726	.366	.254	.680
E1.8 Spending a minimum of two years in the organisation	27.86	20.728	.443	.224	.659

4.3.9 Factor analysis of the organisational identification scale

Prior to the data analysis on the organisational identification scale checks were done in order to verify the data's suitability for factor analysis. These checks were conducted by way of verifying whether the Kaiser-Meyer-Olkin Measure of Sampling Adequacy value (KMO) was .6 or greater, and that the Bartlett's Test of Sphericity value was significant (Pallant, 2007). In this instance, the KMO value was .777 and the Bartlett's test was significant ($p = .000$). In the intercorrelation matrix all of the items revealed correlation coefficients that were greater than .3, an indication that they could be factor analysed.

The Bartlett's Test of Sphericity was significant as it revealed a chi-squared value of ($X^2 = 415.891$, $p \leq .000$). In addition, it was revealed through the anti-image matrix testing that the sampling adequacy was greater than .9, confirming that the correlations among the individual

items were suitable for factor analysis.

Catell's scree test (Catell, 1966) is the other factor extraction technique that was used in deciding how many factors to retain. Through SPSS each of the eigenvalues were plotted and inspected on the plot in order to establish the point in the plot where the curve's direction changes (Pallant, 2007). It is recommended that all factors that are above the elbow or before the break in the plot are retained (Catell, 1966). The factors above the elbow make the most contribution in terms of explaining the variance in the set of data (Pallant, 2007). The scree plot that follows for the organisational identification scale shows one factor which was retained that was above the elbow.

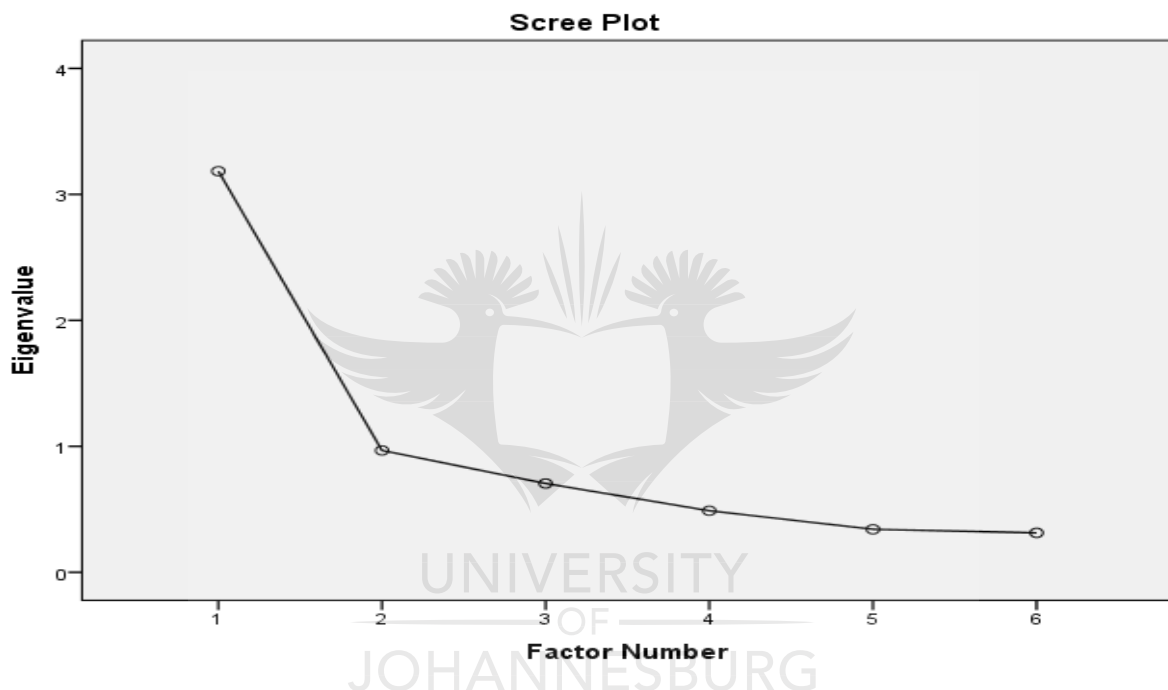


Figure 10: Scree plot of the Organisational Identification Scale

Through Principal Axis Factoring of the organisational identification scale, one factor was extracted as it had an eigenvalue greater than 1 based on Kaiser's criterion of factor extraction as seen Table 4.14 below. This factor accounted for 53.01% of the variance. The factor loadings on the 1 component were all strong loadings above .3. It was then decided to retain the one component. The presence of one factor is consistent with previous research on this scale.

Table 4.14: Eigenvalues of the Organisational Identification Scale

Factor	Initial Eigenvalues		
	Total	% of Variance	Cumulative %
1	3.184	53.069	53.069

2	.967	16.120	69.188
3	.705	11.755	80.943
4	.489	8.144	89.087
5	.342	5.692	94.779
6	.313	5.221	100.000

4.4 Iterative reliability analysis of the organisational identification scale

Through the iterative reliability analysis the organisational identification scale a Cronbach Alpha of .823 was recorded, thus indicating an acceptable level of reliability as it surpasses the recommended .7 level. A Cronbach Alpha of less than .7 is indicative of a scale that has a multidimensional structure (Pallant, 2007). It is recommended that a minimal level of .7 is recorded for a scale to be considered reliable (Nunally, 1978).

Table 4.15: *Item Total Statistics for the Organisational Identification Scale*

	Scale Mean If Item Deleted	Scale Variance If Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha If Item Deleted
C1.1	19.37	19.657	.544	.353	.804
C1.2	18.94	19.889	.580	.459	.795
C1.3	18.74	19.978	.576	.410	.796
C1.4	18.79	19.628	.597	.490	.792
C1.5	18.84	19.815	.618	.525	.788
C1.6	18.72	19.191	.616	.437	.787

4.4.1 The results of the research objectives

In this section the main results pertaining to the research objectives are outlined. Inter-correlations among the variables are shown in Table 4.17 below. Spearman's correlation was used to determine the nature and strength of the relationship. Cohen's (1988) framework for interpreting the effect sizes was used. Cohen (1988, pp. 79 -81) recommends the following guidelines: small effect $r=.10$ to $.29$; medium effect, $r=.30$ to $.49$; and large effect, $r=.50$ to 1.0 .

Table 4.16: *Mean (M), Standard Deviations (SD), Internal consistencies, non-parametric correlations among all the variables in the study (N =195)*

	Scale	Mean	SD	α	1	2	3	4	5

1	Employer Obligations	3.41	.98	.87	1.00				
2	Employee Obligations	3.70	.67	.71	.215**	1.00			
3	Employer Violation	2.88	.85	.84	.172*	.187**	1.00		
4	Employee Violation	3.99	.69	.71	-.006	.453**	.162*	1.00	
5	Organisational Identification	3.78	.87	.82	.140	.385**	.274**	.437**	1.00

** Correlation is significant at the 0.01 level (2-tailed)

* Correlation is significant at the 0.05 level (2-tailed)

Inspection of Table 4.16 indicates that employer obligations are positively related to organisational identification $r(195)=.14$, $p \leq .05$ with a small effect size. Employee obligations are positively related to organisational identification $r(195)=.38$, $p \leq .01$ with a medium effect size. Employer violation is positively related to organisational identification $r(195)=.27$, $p \leq .01$ with a small effect size. Employee violation is positively related to organisational identification $r(195)=.44$, $p \leq .01$ with a medium effect size.

Furthermore, logistic regression was used to establish whether the psychological contract predicts organisational identification. Direct logistic regression was done in order to assess the impact that employees' psychological contracts had on their organisational identification. The model contained four variables (perceptions of employer obligations, perceptions of employee obligations, perceptions of employer violation, and perceptions of employee violation). The model containing all predictors was statistically significant, $X^2(4, N=195) = 49.26\%$, $p < .001$, a value greater than .05 indicating that the model was able to distinguish between participants who identified strongly with their organisations and those who did not identify with their organisations. This is shown in Table 4.17 below reflecting the omnibus tests of model coefficients.

Table 4.17: *Omnibus Tests of Model Coefficients*

	Chi-square	Df	Sig.
Step	49.625	4	.000
Block	49.625	4	.000
Model	49.625	4	.000

The model in its entirety explained between 22% (Cox and Snell R Square) and 30% (Nagelkerke R Squared) of the variance in the psychological contracts and organisational identification. These results are represented in Table 4.18 below which gives the model summary. In addition, the model correctly classified 74.9% of the cases, an improvement over the 54.9% in the model without the predictors.

Table 4.18: *Cox & Snell R Square and Nagelkerke R Square Values for the model*

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	218.848 ^a	.225	.301

a. Estimation terminated at iteration number 5 because parameter estimates changed by less than .001.

As shown in Table 4.19 below, out of the four independent variables, only three variables contributed significantly to the model. These variables included the employee's perceptions of their obligations to their employer (employee psychological contract), employees' perceptions of the employer violating their obligations (employer violation), and employees' perceptions of having violated their own obligations towards their employer (employee violation). The strongest predictor of organisational identification was employee perception of having violated the psychological contract as this recorded an odds ratio of 2.81. This shows that employees who perceived to have not violated their own obligations to their employer were close to three times more likely to identify with their employer than those who perceived they had not fulfilled their obligations to their organisation or employer.

Employee perceptions of their obligations to their employer (employee obligations) were also another strong predictor of organisational identification. The employee obligations analysis revealed an odds ratio of 2.22. This implied that employees who perceived they had high obligations towards their employer were twice more likely to identify strongly with their employer. Respondents who perceived that their employer had violated its obligations towards them (employer violation) were 1.68 times less likely to identify with the organisation. These three psychological contract variables were therefore significant in predicting organisational identification.

Table 4.19: *Logistic regression predicting organisational identification by the psychological contract*

	B	S.E.	Wald	df	Sig.	Exp(B)	95% C.I. for EXP(B)	
							Lower	Upper
Employer Obligation	.049	.184	.070	1	.791	1.050	.733	1.505
Employee Obligation	.799	.290	7.585	1	.006	2.222	1.259	3.923
Employer Violation	.523	.216	5.828	1	.016	1.686	1.103	2.578
Employee Violation	1.036	.287	13.045	1	.000	2.818	1.606	4.943
Constant	-8.517	1.557	29.943	1	.000	.000		

In terms of the last objective, the results displayed below in Table 4.20 establish whether the type of employment contract serves as a moderator of the relationship between the psychological contract and organisational identification.

Table 4.20: *Logistic regression predicting the relationship between the psychological contract and organisational identification*

	B	S.E.	Wald	df	Sig.	Exp(B)
Step 1 ^a						
Section B1	-.037	.189	.039	1	.844	.964
Section B2	.999	.309	10.439	1	.001	2.716
Employer Violation	.665	.230	8.367	1	.004	1.944
Employee Violation	1.063	.295	12.955	1	.000	2.894
Type of employment contract	-.313	.398	.617	1	.432	.731
Constant	-9.576	1.670	32.895	1	.000	.000

Inspection of Table 4.20 shows that there was no significant contribution to the model when the type of employment contract was entered into the model. The value was .432. Therefore the type of employment contract (permanent or temporary) had no moderating effect on the relationship between the psychological contract and organisational identification amongst this sample.

4.4.2 Chapter conclusion

The results of this study were presented in this chapter. The first part of the chapter presented the demographic and descriptive statistics of the research participants. Factor analyses for each of the psychological contract sub-scales and organisational identification scale were conducted using PCA and PFA extraction methods. Most of the research sub-scales had Cronbach alpha scores that were above the recommended level of .7, which confirmed their validity and reliability in the analyses of the research objectives. The intercorrelations

between the four psychological contract sub-scales and organisational identification were assessed in the chapter. Through logistic regression analysis the study concluded that employee obligations, employer violations and employee violations all had strong predictive ability with regards to organisational identification. The same was not concluded of the employer obligations. The proceeding chapter will discuss and interpret the research findings reported in this chapter.



5.1. Introduction

In the preceding chapter, the results of the statistical analyses conducted were presented. These included the descriptive statistics, a presentation of the factor and reliability analyses, the Cronbach alpha test scores and the logistic regression analysis.

This chapter presents and discusses the results obtained from the study in relation to the research objectives. The chapter also provides a broad summary of the research process as well as the main findings of the study.

5.2. General descriptives

The data was tested for normality and the analysis revealed that the data from the scales used in the study were negatively skewed. The normality of the data was further investigated

through the use of histograms which confirmed that the data was not normally distributed. The skewness and kurtosis results presented in the preceding chapter also point to the same conclusion as they were outside the generally accepted skewness and kurtosis range. Most of the kurtosis scores of the psychological contract subscale items had values lower than 0. The same applied for the skewness and kurtosis scores for the organisational identification scale which had values lower than 0. This is indicative of too many cases being recorded in the extremes (Pallant, 2007). The skewness and kurtosis of the data can be offset by a fairly high number of samples (Tabachnick & Fidell, 2007). Due to the data not being normally distributed, logistic regression analysis was used.

5.3. Factor analysis

All four of the psychological contract subscales and the organisational identification scale underwent factor analysis. The results of the factor and reliability analysis for each of the psychological contract subscales and the organisational identification scale confirmed that they were suitable for factor analysis. The results of the iterative reliability analysis for the employer obligation scale, employee obligation scale, employer violation scale and the employee violation scale indicated KMO values above the recommended level and the Bartlett's tests on each of the subscales being significant ($p = .000$). Through the PAF and PCA of the four psychological contract subscales, one factor was extracted on the employer obligation subscale and the employer violation subscales respectively. Through the same extraction methods, two factors were extracted for the employee obligations subscale and the employee violation subscales.

The anti-image matrix testing for the subscales concluded that the sampling adequacy was greater than .9, confirming that the correlations among the individual items in the scales were suitable for factor analysis. Results of the scree test analyses on all psychological contract subscales confirmed the number of components above the elbow level in the scree plots which could be retained. With the exception of the employee obligations subscale, the Cronbach alpha scores for the other three psychological contract subscales were above the recommended level of .7. The small number of items in each of the two factors extracted from the employee obligations subscale may explain why the Cronbach alpha score was just over the .6 level.

The same tests were conducted on the organisational identification scale. The results of the iterative reliability tests concluded that the scale was suitable for factor analysis. It recorded a Cronbach alpha score of .823, a sampling adequacy value greater than the recommended level of .6 and the Bartlett's test score was significant.

5.4. Research objectives

- To establish if there is a relationship between the psychological contract and organisational identification within the call centre environment.
- To establish whether the relationship between the psychological contract and organisational identification is moderated by the type of employment contract.
- To discuss the possible legislative implications of the Employment Services Bill (2010) on the employment relationship within the call centre environment.

5.4.1 Relationship between the psychological contract and organisational identification

The four psychological contract subscales (employer obligations, employee obligations, employer violation and employee violation) were each assessed to establish whether they predicted organisational identification. Through logistic regression analysis the study concluded that employee obligations, employer violations and employee violations all had strong predictive value in relation to organisational identification. This was not the case however with the employer obligations as they were found to have negligible influence in predicting organisational identification. Further discussion on these findings will be presented in the ensuing sections.

Previous research has highlighted an abstract and evolving interaction between the psychological contract and organisational identification (Epitropaki, 2003). These findings have indicated that employees who perceive a breach or violation of obligations by their employer are less likely to identify with the organisation (Epitropaki, 2003). In other words, it is expected that psychological contract breach or violation leads to decreased organisational identification or organisational disidentification, or that perceived employer violation results in employees' diminished sense of belonging. In essence, the perceived breach of the psychological contract on the part of the employer is considered to be a critical impediment to the employment relationship (Epitropaki, 2003). Past literature and research findings also suggest that employees with relational psychological contracts are more likely to identify with the employer than those who hold transactional psychological contracts (Lu, Capezio, Restubog, Garcia & Wang, 2016).

5.4.2 Employer obligations

Of the four psychological contract variables in this study, employer obligations did not predict organisational identification, as it did not make any significant contribution in the logistic regression equation, although it was found to be positively related to organisational identification ($r(195) = .14$, $p \leq .05$). While this finding was not consistent with the expectation that this variable would have significant weight in predicting organisational identification, one

may interpret it from the perspective of the changing employment relationship which has to a large part been influenced by the changing business environment. It appears that employees perceived obligations of their employers have been diminished by what the literature describes as a business environment characterised by constant change and restructuring (Dhanpat & Parumasur, 2014; Jovanovic, 2015).

It is likely that within the context of businesses operating in turbulent and changing environments where restructurings, fluctuating markets and downsizing have become the norm rather than the exception (Dhanpat & Parumasur, 2014), employees may have lowered their perceptions of their employers obligations. In such a context where jobs for life are no longer a guarantee, employees appear to have diminished expectations of the employer's obligation to provide advancement, long-term job security, support with personal problems among other things, as long as they have some form of employment.

Another factor that may have contributed to employer obligations having an insignificant negative correlation with organisational identification is the fact that a portion of the sample was temporary employees. This is consistent with previous research and literature which suggests that temporary employees cannot expect long-term job security, and that in comparison to their permanent counterparts, their opportunities for career development and training may be limited (Coyle-Shapiro & Kessler, 2002). It is believed that temporary employees will perceive narrow and limited employer obligations by virtue of the nature of their employment contract. For instance, perceptions by temporary employees that the employer is obligated to provide opportunities for career and skills development, as well as job security, will be far less when compared to the perceived employer obligations by their permanent counterparts (Coyle-Shapiro & Kessler, 2002).

Another factor that could explain the low levels of perceived employer obligations by this sample has been documented in literature. This factor pertains to the inequality in the psychological contract. The contract metaphor ceases to be of significance when one party to the contract wields the ability to impose a deal on the other through its bargaining power (Herriot, 2001). This assertion pours cold water on a key premise of the psychological contract – that mutual obligations between the employee and employer are a voluntary undertaking (Herriot, 2001). This is particularly so in circumstances where employees lack labour market power due to the ease with which they may be replaced should they decide to terminate their employment contract with the employer. This assertion is likely to resonate more in call centre environments where the nature of work is perceived to require a basic level of skill (Pillay, Buitenbach & Kanengoni, 2014), there is limited scope of responsibilities and minimal job discretion (Deery, Iverson & Walsh, 2003). Therefore, it is likely that the call

centre sample for this study may have perceived that the employer dictates the terms of the deal on offer. If they decide to leave the deal, it will be of little consequence to the employer as they may be easily replaced (Herriot, 2001).

5.4.3 Employee obligations

With regards to employee obligations, the results indicate that there was a positive significant correlation between employee obligations and organisational identification ($r(195)=.38$, $p\leq 0.01$). Employee obligations were found to contribute significantly to the predictive ability of the model. It therefore shows that employee obligations predict organisational identification. The logistic regression analysis on the employee obligations analysis revealed an odds ratio of 2.22. This implied that employees who perceived they had high obligations to provide their employer with commitments such as working extra hours, protecting the employer's proprietary information and loyalty among other things, were twice more likely to identify strongly with their employer.

Literature suggests that identifying with the organisation and incorporating the organisation's identity into one's own identity, is the manner through which employees with relational psychological contracts can show their relational obligations. This helps them to sustain strong relationships and bonds with the organisation (Lu, Capezio, Restubog, Garcia & Wang, 2016). When employees have relational psychological contracts, a need is created for them to pursue long-term employment with the organisation and in doing so, the chances of them identifying with the organisation increases. Conditions that foster relational psychological contracts are also more likely to give rise to organisational identification conditions that foster transactional psychological contracts (Lu, Capezio, Restubog, Garcia & Wang, 2016). The same findings and assertions have been made by other scholars concerning relational psychological contracts and behaviours that foster organisational identification. One such assertion is articulated below.

The likelihood of employees working beyond their normal hours irrespective of whether they receive a financial reward for it, giving a helping hand to colleagues for the benefit of the greater group or organisation, and showing support to changes within the organisation, is higher with employees who perceive their psychological contract to be relational than those who do not (Rousseau, 2004).

5.4.4 Employer violation

Perceived employer violation was positively related to organisational identification ($r(195)=.27$, $p\leq 0.01$). Employer violation was also found to contribute significantly to the predictive ability

of the model. It was established that respondents who perceived that their employer had violated its obligations towards them were 1.68 times less likely to identify with the organisation than those who perceived that their employer had not violated its obligations. This finding is consistent with literature and past findings on perceived psychological contract breach or violation.

In a study by Epitropaki (2013), employees' levels of organisational identification were negatively affected by their perceptions of employer contract breach or violation. Irrespective of the links that exist between the two constructs at a conceptual level, it is understood that empirical evidence on the relationship between the two has been insufficient. There is evidence to suggest, however, that employees' sense of belonging and willingness to identify is significantly diminished when they perceive psychological contract violation or breach (Epitropaki, 2013). Based on the dissonance theory, dissonance cognitions with regards to group membership are likely to emerge when employees perceive psychological contract violation. If the employees perceive that their employers actions are inconsistent with certain identity claims made, then an imbalance results. The reduction of identification with the employer is one of the social identity based dissonance reduction strategies that employees will utilise in order to resolve this inconsistency or imbalance (Epitropaki, 2013). Perceived psychological contract violation or breach will have detrimental effects on organisational identification. Employees will start engaging in a process of distancing their personal identity from that of the organisation (Epitropaki, 2013).

It must be noted that at the time of the study, the call centre organisation where the study sample was drawn had just undergone several structural changes. While findings on employer obligations pointed to an insignificant relationship with organisational identification, these structural changes may have further alienated the sample from the employer as they may have perceived a lack of social validation and support. Due to how the restructuring process was managed at the time, employees may have perceived a violation by the employer of its obligations towards the employee. It is suggested that at the time employees did not find the actions of the employer consistent with the values they ascribed to the employer. As such, this disconnect resulted in organisational disidentification. Literature suggests that organisational identification is less likely in an environment or context where social validation and support for employees is not a constant (Zagenckzyk, Gibney, Few & Scott, 2011).

Organisational identification is facilitated partly through support and social validation. In the presence of the perceived lack of both, diminished levels of organisational identification can be expected and in worst case scenarios organisational disidentification may be promoted. To

the employee the perceived lack of social validation is tied to low levels of organisational support. Such a dynamic is considered by the employee as a signal by the employer that their membership in the organisation is not legitimate hence the increased chances of lowered identification with the employer (Zagenckzyk, Gibney, Few & Scott, 2011).

Another plausible explanation for the positive significant correlation between perceived employer violation and organisational identification may be in the essence of organisational identification itself. Identification fosters a sense of security and belonging (Ashforth, Joshi, Anand & O'Leary-Kelly, 2013). However, as the erosion of long-term job security continues, employees' self-definition may be more aligned with their respective professions rather than their employer (Ashforth et al., 2013). This absence of a sense of security and no guarantees of long-term job opportunities may have influenced this study sample's perception of employer contract violation and therefore reduced their chances of identifying with the employer.

Literature also suggests that perceived psychological contract violation or breach by the employer may be the result of incongruence in understanding the psychological contract promises (Robinson & Morrison, 2000). Incongruence is used by Robinson and Morrison (2000) to describe the scenario where both parties to the psychological contract have varying or conflicting views, not only on the nature of the psychological contract, but also whether such a contract exists at all. Irrespective of the causes of perceived breach, the outcomes are just as negative as when violation is perceived. In this study, it is likely that there was some incongruence between the employees and their employer and as such, this lessened the employees' levels of identification with the organisation.

5.4.5 Employee violation

The logistic regression analysis indicated that the strongest predictor of organisational identification was employee perception of having violated the psychological contract. This recorded an odds ratio of 2.81 and that employee violation was positively related to organisational identification ($r(195)=.44$, $p \leq 0.01$). Therefore, employees who perceived to have not violated their own obligations to their employer were close to three times more likely to identify with their employer than those who perceived they had not fulfilled their obligations to their organisation or employer. In essence, most of the sample perceived that they had not violated their psychological contract obligations to the employer and as a consequence they were more likely to identify with the employer.

It must be noted, however, that the perception of not having violated their psychological

contract obligations towards the employer by the study sample may point to self-serving bias. Self-serving biases frequently results in the overestimation of one's own contributions and underreporting of the exchange partner's incurred costs (Robinson, Kraatz & Rousseau, 1994). Hence, employees will perceive that they owe less in the exchange relationship while at the same time that their employer owes more (Robinson, Kraatz & Rousseau, 1994). This is consistent with the findings of this study where employees portrayed the employer to have violated their obligations while at the same time assessing themselves as not having violated their obligations towards the employer.

Employees who perceived they had not violated their obligations were more likely to identify with the organisation as a result of the type of psychological contract held. Literature suggests that employees with transactional contracts often follow through with the set expectations and terms of the contract (Rousseau, 2004). Call centres in particular, where employees have limited autonomy over the scope and content of their work, are typical of the transactional contract (Rousseau, 2004). Employees that have clearly defined expectations from the transactional contract identify more with their employer (Rousseau, 2004).

5.5 Type of employment contract as a moderator of the relationship between psychological contract and organisational Identification

Results presented in Table 4.18 of the preceding chapter show that the type of employment contract held had no significant contribution to the model. Therefore, the type of employment contract (permanent or temporary) had no moderating effect on the relationship between the psychological contract and organisational identification amongst this sample of participants. This finding was not entirely consistent with past research findings.

In studies by Coyle-Shapiro and Kessler (2002), as well as Scheel, Rigotti and Mohr (2013), the findings suggested that contract status was of significant importance in how employees view the exchange relationship as well as their response to the inducements that they are provided within the context of this relationship. The study postulated that temporary employees were more likely to harbour perceptions of not being valued by their employer in comparison to their permanent counterparts as their expectations and prospects of long-term job security were limited, and opportunities for growth and advancement were reduced (Coyle-Shapiro & Kessler, 2002). Even the psychological contracts of the two contract type groups were expected to be different (Scheel, Rigotti & Mohr, 2013). The psychological contract of permanent employees is expected to have a wider spectrum of obligations in comparison to temporary employees who are more likely to perceive narrow and few

employer obligations given the nature of their contract (Coyle-Shapiro & Kessler, 2002). This was not entirely the case with this study's sample of participants as it appears that temporary employees may expect just as much of the employment relationship when compared to permanent staff. The need to have some psychological bond with the organisation in an employment relationship seems to be inherent in both types of contract employees.

The contrast of this study's finding on the moderation of the type of employment contract on the psychological contract is evident in other research findings. It has been reported that employees with temporary contracts do not identify strongly with their temporary employer and instead opt to stay on the peripheries. In addition, opportunities for developing organisational identification by temporary employees may be limited by their employer as when their services are no longer required, it would be easier to terminate their employment (Coyle-Shapiro & Kessler, 2002). This assessment is relevant to call centre work environments. With regards to this study's sample profile, their type of employment contract may be of no consequence to their psychological contract and organisational identification due to the skewed balance of power in the contract relationship.

The contract metaphor suggests that both parties to a contract have the opportunity and power to engage in negotiations and make binding agreements (Herriot, 2001). If one party wields bargaining power over the other then the contract metaphor ceases to be of significance (Herriot, 2001). The employer is likely to wield such superior bargaining power with employees who do not have a high degree of labour market power or those that can be replaced with ease (Herriot, 2011). Employees who are placed by labour brokers are understood to be at a disadvantage with regards to negotiating for conditions of service and benefits (Van Eck, 2010). With this study's sample profile in mind, literature has shown that individuals employed in call centres have little or no labour market power given the nature and content of the work that they do because their work often requires a basic level of skill (Pillay, Buitendach & Kanengoni, 2014). As such, the low level of bargaining power described above coupled with the difficulty of securing employment in many sectors of the economy may have left this study's sample profile little choice but to accept what the employer has offered. This affects both temporary and permanent employees.

The ongoing changes in business and economic environments may also influence why the employment contract type had no bearing on the relationship between the psychological contract and organisational identification. Collective bargaining arrangements where management and employee representatives negotiated and bargained over various employment issues is on the decline (Guest & Conway, 2009; Guest & Conway, 2001), and organisations continue to downsize (Pratt, 1998). Long-term relationships between employers

and their employees have continued to diminish (Ashforth et al., 2013), organisations have adopted flat structures, work has become geographically dispersed, and demands for innovation and better service have increased (Rousseau, 2004). In addition, the traditional commitments to long-term job security no longer exist (CIPD, 2010). Given this context, it appears that the type of employment contract that one holds has ceased to have a bearing on the establishment of their psychological bond with the employer. As long as one has some form of employment, other considerations may become secondary. As a result, current employees are more willing to accept what they are offered now more than before.

Another plausible explanation rests within the limitations of the organisational concept itself. Contrary to what was once thought, organisational identification is no longer considered a straight forward concept (Modaff et al., 2008). The desire by employees to identify strongly with their employer has been challenged and questioned by the current realities of the business and economic climate explained in the preceding paragraph. Simultaneously, the viability of promoting identification with all employees has also been called into question by organisations (Modaff et al., 2008). Therefore, irrespective of the employment contract type that one holds, the goal may not always be to foster a psychological bond with the employer.

5.6 Possible legislative Implications of the Employment Services Bill on the employment relationship within the call centre environment

Various research findings on the influence that employment contract type has on the employment relationship carry important theoretical and analytical implications (Coyle-Shapiro & Kessler, 2002). These findings may influence the manner in which employees in call centre and non call centre contexts are engaged and managed.

Literature has indicated that organisations employing temporary workers may restrict their opportunities for developing organisational identification in the event that their services are no longer required, they may be released with ease (Modaff et al., 2008). Research has also suggested that as a consequence, temporary employees prefer to remain on the peripheries of organisational activities (Modaff et al., 2008). As a result, the psychological contracts of temporary employees have for the most part remained transactional within call centres where they perform narrow and limited duties (Rousseau, 2004). Call centre employers are understood to incur little or no future obligations to temporary employees (Rousseau, 2004). What this study has shown is that overall, an employee's employment contract type is of little or no consequence to how employees engage and bond with their employer. It has also given some insight into the fact that temporary employees in call centres may aspire for the same type of treatment and obligations that are provided by the employer to their permanent

counterparts.

As alluded to in the paragraph above, the amendments to the bill are likely to promote a shift in the type of psychological contracts temporary employees in call centres hold – from mainly transactional contracts to relational contracts. This will potentially be a positive shift that will benefit both the employee and the employer given the limitations of transactional psychological contracts and the organisationally desirable outcomes of relational contracts reported in literature. While the focus of transactional contracts mainly entails economic benefits, partial inclusion of the employee, static duties and roles, limited training and development of the employee by the organisation, and the narrow scope of influence by the employee, relational contracts have both emotional and economic benefits (George, 2009). If, on the other hand, employment conditions in call centres for temporary employees improve partly as a consequence of the implemented labour changes, the shift towards relational psychological contracts may be expected. Relational contracts will entail a high level of interdependency and mutuality, elevated employee identification with the employer and loyalty to the organisation (George, 2009).

These findings feed into the arguments that have been put forward by those who advocated for the introduction and implementation of the amendments to the Employment Services Bill (2010) which proposed a package of changes and further regulations of temporary employment services among other things. COSATU, one of the main labour federations in South Africa, argued for the abolishment of labour brokers on the premise that employers in such arrangements do not commit to providing meaningful obligations to employees in any form, including decent wages. The labour federation equated the practice of labour broking to human trafficking as they perceive such a practice to be tantamount to the reduction of employees to human merchandise that can be sold to the highest bidder for a profit (COSATU, 2008). One could also argue that this practice leaves temporary employees in limbo as there is no definitive allocation of responsibility in terms of who is legally obligated to be responsible for the employee.

With the findings of this study in mind, it is possible that the amendments to the Employment Services Bill (2010), which have now been passed into law, will potentially increase temporary employees' confidence in the employment relationship as they may not be considered so much of a junior partner in the contract. In essence, it may help increase their labour market power and their bargaining power. In addition, it will potentially increase their perceptions of what the employer is obligated to provide to them within the context of the psychological contract. The shift in the balance of power between employer and employee due to the implementation of amendments in the Employment Services Bill (2010) may also translate

into a shift in the type of psychological contracts that temporary employees have, that is, a shift from strictly transactional psychological contracts to hybrid or balanced psychological contracts. In essence, the changes may implicitly or explicitly address the inequality in the psychological contract that was referred to by Herriot (2001) where one party has superior bargaining power over the other.

It could be argued that hybrid/balanced psychological contracts would best apply within the context of current changes in the business and labour market. The hybrid or balanced psychological contract is fairly new and entails that both parties to the psychological contract assume some share of the risk if and when work conditions change. While employers commit to develop employees on the one hand, the expectation is that if and when the employer experiences economic hardships or some need for change, the employees on the other hand will be accommodating and willing to support the employer through such times. This type of psychological contract allows for the renegotiation of the contract when economic conditions change (Rousseau, 2004). The unintended consequence of the amendments to the Employment Services Bill (2010) may be that the expectations of those who support and oppose the amendments are met to some degree. While the changes will promote the rights of temporary employees and protect them against unfair labour practices, it will also ensure that more unemployed and unskilled youth are employed particularly in the call centres – an argument which has been put forward by the CAPES (2014). It also gives credence to the proposition that labour broking should ideally be regulated instead of being abolished in its entirety (Van Eck, 2010).

Other literature suggests that employing contract workers may be a win-win situation for the parties involved in the employment contract. The hiring of temporary employees will meet the short-term operational needs of a business particularly in projects that are goal specific and time bound (Coyle-Shapiro & Kessler, 2002). When temporary employees receive required inducements from their organisations, they will exhibit organisationally desirable behaviours that are supportive of the employer's goals (Coyle-Shapiro & Kessler, 2002).

5.7 Chapter conclusion

This chapter presented a discussion of the data analyses results in line with the study's research objectives. The discussion of the results was done in relation to the literature review presented in Chapter 2. In addition, possible explanations were given on the reported findings of this study. Findings on the relationships between each of the four psychological contract variables and organisational identification were reported. Results on the moderating impact of the employment contract type on the relationship between the psychological contract and organisational identification were presented. The main finding was that the employment

contract type was of little or no consequence to this relationship. The possible practical and theoretical implications of these findings on the implementation of the Employment Services Bill (2010) were presented upon the backdrop of the dynamics that are known about call centre work. In the next chapter, Chapter 6, the conclusion of the study is presented and recommendations for the workplace and future research are made.

CHAPTER 6: CONCLUSION AND RECOMMENDATIONS

6.1. Introduction

The preceding chapter presented a discussion on the results of the study with the view to answering the formulated research objectives. In discussing the results, inferences were drawn on the potential meanings and implications of the study. This chapter aims to reflect on the entire study, conclude the paper and make recommendations for future research undertakings in the same field of inquiry. The chapter is also concluded with a presentation of the study's limitations, contributions of the study, and implications for employment relations in organisations.

6.2. Summary of findings and outcomes of research objectives

Organisations are currently operating in an environment characterised by turbulence and ongoing change (Dhanpat & Parumasur, 2014; Jovanovic, 2015; Malik & Khalid, 2016), instability and uncertainty (Buta & Burciu, 2014), in the form of fluctuating markets, and restructurings and organisational downsizing among others (Dhanpat & Parumasur, 2014). These changes continue to shape the new employment relationship between employees and employers in the workplace. It can be argued that very few settings depict the changes referred to above more than call centres. Call centres have become one of the key features of the current global economy (Chambel & Alcover, 2011).

In this new work order characterised by permanent turbulence (Guest, 2004), there is need for frameworks that can assist in the analysis of the continuously evolving employment

relationship. The psychological contract and organisational identification are such frameworks. These frameworks focus on people and command attention to imperative dynamics in the employment relationship. Among its three objectives, this study set out to investigate whether there is a relationship between the two frameworks in a call centre work environment.

The study found that there is a relationship between the psychological contract and organisational identification within the call centre. The degree and extent of the relationship was found to vary, depending on the specific subcomponent of the psychological contract (employer obligations, employee obligations, employer violation and employee violation) that was used to predict organisational identification. The results of the relationships between each of the four psychological contract subscales and organisational identification were presented in Chapter 4. From the analyses, perceived employee violation was found to be the strongest predictor of organisational identification. Employees who perceived that they had not violated their obligations towards the employer were close to three times more likely to identify with the organisation than those who did not. It must be noted, however, that self-serving bias may have been a factor that influenced employees' perceptions of not having violated their obligations towards the employer. Self-serving bias often results in the overestimation of one's own contributions and underreporting of the exchange partner's incurred costs (Robinson, Kraatz & Rousseau, 1994)

The psychological contract subcomponent that had no degree of predictive value to organisational identification was perceived employer obligations. The study findings showed that call centre employees ascribed little or negligible obligations on the employer towards them and that their perception of employer obligations was of little or no consequence to their levels of identification with the employer. The inequality in the psychological contract (Herriot, 2001) was offered as a possible explanation, where employees perceive they only have the option to either accept conditions of the deal offered by the employer or leave. In addition, it was noted that employees in call centre settings wield little or no labour market power (Herriot, 2001) given that most of their tasks require a basic level of skill (Pillay, Buitenbach & Kanengoni, 2014).

The other two psychological contract components that were measured against organisational identification were employee obligations and employer violation. Results revealed that employees who perceived they had high obligations to provide their employer with commitments such as working extra hours, protecting the employer's proprietary information and loyalty among other things, were twice as likely to identify strongly with their employer. Employee obligations were positively related to organisational identification ($r(195)=.38$,

$p \leq 0.01$). Two factors were extracted from the analysis of this component and the respective factors were understood to represent either transactional or relational psychological contracts. Employees who perceive to have a relational psychological contract are more likely to work beyond their normal hours irrespective of financial reward, help colleagues for the benefit of the greater group or organisation, and show support to changes within the organisation (Rousseau, 2004).

As discussed in Chapter 5, perceived employer violation was positively related to organisational identification ($r(195) = .27$, $p \leq 0.01$). This finding is consistent with literature and past findings on perceived psychological contract breach or violation. Several explanations were given for this finding. A key finding from literature was that perceived psychological contract violation or breach will have a detrimental effect on organisational identification as employees will start engaging in a process of distancing their personal identity from that of the organisation (Epitropaki, 2013).

The second research objective of the study was to establish whether the relationship between the psychological contract and organisational identification was moderated by the type of employment contract that an employee held (permanent or temporary contract). From the analysis presented in Chapter 4, it was established that the type of employment contract had no moderating effect on the relationship between the psychological contract and organisational identification amongst this sample of participants. This finding was not entirely consistent with some past research findings and literature such as the one presented by Coyle-Shapiro and Kessler (2002) which posited that an employee's contract type has a bearing on how they perceive their exchange relationship with the employer. The negligible influence of one's employment contract on the relationship between psychological contract and organisational identification in this study was ascribed to a few circumstances. Chief among these were the ongoing turmoil and changes in the business/labour market (Jovanovic, 2015), the call centre employees' low degree of labour market power, and the inequality in the psychological contract (Herriot, 2001).

The third and final objective of the study was to analyse the possible implications of the Employment Services Bill (2010) on the employment relationship within the call centre environment. From a theoretical perspective, the amendments were envisioned to promote the increase in the labour market power of temporary employees employed in call centres (Herriot, 2001). This would be the first step in the promotion of balance of power in the employment relationship, as well as promoting equality in the psychological contract. It was also envisioned that there would be increased confidence by temporary employees in the employment relationship, and that the new order would present a win-win scenario to both

employees and employers. Businesses are likely to meet their operational needs while temporary employees in particular receive the required inducements from their employer (Coyle-Shapiro & Kessler, 2002).

One argument that had been made COSATU (2008) prior to the introduction and passing into law of the Employment Services Amendment Bill (2010) was that the selling of labour to potential employers or businesses by employment intermediaries such as labour brokers was a gross injustice to the employee. In their argument, such a practice reduced job seekers and temporary employees to commodities (COSATU, 2008). Due to the triangular nature of the employment relationship where an employee is hired through a labour broker, it was argued that there was no clear understanding of who between the two parties was obligated to fulfil the responsibilities of employer to these employees. Over the past twenty years, South African business owners have increasingly shifted towards the externalisation of the normal permanent, full-time employer-employee relationship into one that is triangular and has a connection with the labour broker. In other words, labour brokers avail workers to third parties for a fee, and the third party in turn allocates work roles and responsibilities to the worker and supervises the execution of work by the placed employee (Van Eck, 2010).

As a consequence, the labour broker and the client company would both attempt to absolve themselves of the responsibility of making contributions to temporary employees' benefits such as the UIF, the paying of income tax, or providing skills training and development to these employees (COSATU, 2008). Given that the passing into law of the Employment Services Bill (2010) implicitly abolishes the practice of labour broking (and in essence addressing the blurred jurisdiction of responsibilities between the labour broker and the organisation where the employee/s are placed), it may imply that businesses who hire the services of temporary employees would now have to shoulder the expectation of meeting all normal employer obligations such as the paying of tax, contributing to the UIF and providing skills training and development among other things.

It has been conceded by various parties, including CAPES (2009), that employees placed by labour brokers were prone to vulnerability and that the proposed principle by the ILO of decent work should be the golden standard. This vulnerability is in part characterised by the disadvantage that employees placed through labour brokers have when it comes to wage bargaining and negotiating for decent conditions of service (Van Eck, 2010). With the realignment of the Public Employment Services in the Bill (2012), employment services are meant to be free of charge to both prospective workers and employers, and it is envisioned that the changes will also help businesses to keep up with the ongoing demands and changes of the current labour market environment (Department of Labour, 2015).

6.3. Limitations of the current study

Limitations in research are common in most, if not all, study undertakings. This study also experienced some limitations which need to be taken into consideration when interpreting the results of the study. The limitations of the study are listed below.

- A cross-sectional research design was used in the current study. It is therefore limiting in the sense that the possibility to establish causality among the research variables under study is diminished.
- The analyses of the study were conducted from results obtained only from two organisations and within one context. As such, generalising the results of this study to other work contexts becomes a challenge. There are several types of call centre work environments and the results of this study may not apply to all types of call centre work environments.
- The study may be considered one-sided as it only examined the perceived psychological contracts and organisational identification of employees. The employer's perspective was only examined through the lens of the employee sample that participated in the study. It has been argued by some scholars that the employer's perspective in the examination and understanding of the psychological contract is equally as important as the employees' perspective (Guest, Isaksson & De Witte, 2010).
- As discussed in some parts of Chapters 4 and 5, potential self-serving bias by respondents in their responses to the questionnaires may have influenced the end results of the study. Given that some sections of the questionnaire required respondents to self-evaluate with regards to the extent they had fulfilled their obligations to their employer, they may have excessively portrayed themselves in a positive light.
- The questionnaire used in the study was presented to the study sample only in English without a translation to any of the other local languages. Interpretation of some of the questions therefore may have been problematic for some of the respondents. However, it must be pointed out that the majority of the respondents had some type of formal education, a factor that may have reduced this possible challenge only to an isolated few.

6.4. Recommendations for future studies

- Future studies could possibly take a longitudinal research approach in order to establish the changing patterns of employees' psychological contracts and organisational identification over time. Employees' perceptions of the same constructs may vary at any given time depending on their own circumstances and those of the

organisation at the time.

- The same study could be replicated in a call centre setting with the target sample being line management. This will help in gaining insights into the employer's perception and understanding of the psychological contract and organisational identification. Instead of focusing on employee perceptions of the psychological contract alone, the same study may be applied only to those in managerial positions.
- Instead of a quantitative research study, a qualitative research approach could be undertaken for the same study in order to establish a more comprehensive understanding of employee perceptions of obligations that characterise the employment relationship.
- Future research may also investigate the experiences of previous or current labour broking organisations since the passing into law and implementation of the Employment Services Bill (2010). The same may be done of organisations which utilise the services of labour brokers in order to cater for their staffing needs. The voice of the employer has largely been silent in this debate.

6.5. Recommendations for organisations, line managers, and HR in the call centre environment

- It is recommended that employers give increased attention to the management of beliefs regarding mutual obligations, particularly to how well the actions of the organisation maintain rather than violate or breach the contract between employee and employer. The understanding of employees' perceptions of the mutual obligations in an employment relationship are just as important as the creation of a contractual relationship with one set of terms (Robinson, Kraatz & Rousseau, 1994).
- When temporary employees are given the necessary inducements, indications are that they give just as much to the employer as their permanent counterparts (Coyle-Shapiro & Kessler, 2002). Line managers and HR may therefore consider investing in the training and development of these employees as the cost of training them may be offset by the level of investment that these employees put into their work.
- Employee perceptions of their obligations to the employer and vice versa may be adequately managed at the orientation phase in particular. HR and line managers therefore have to recognise that their implicit or explicit communication about the employment terms and conditions at this stage will influence and shape employees understanding and perception of the exchange relationship.
- The hiring of staff is now a more regulated process given the provisions articulated in the Employment Services Bill (2010). The expectation is that employers in designated

sectors of the economy have to inform the Labour Department of job openings in their businesses before engaging the services of any other employment service intermediary.

6.6. Contribution of the study

This study was conducted in a South African call centre setting. The recognition of, and interest in the South African call centre industry is growing as this has been identified as an avenue through which further job creation and foreign investment opportunities can be expanded. However, there have not been many studies conducted on call centres within the South African context (Banks & Roodt, 2011). In addition, the results of this study will add to the available literature on the dynamics of the employment relationship in call centre settings given that it explored the psychological bonds that exist in this type of work environment. This should be of valuable contribution as the prevalence of call centres in organisations continues to grow (Chambel & Alcover, 2011). This has in turn created the need to understand what influences call centre employees to remain committed to the employer and engaged with their work (Pillay, Buitendach & Kanengoni, 2014).

While the concepts of the psychological contract and organisational identification have been extensively researched, an insignificant amount of research has focused on how an employee's contract status may influence their exchange relationship with the employer (Coyle-Shapiro & Kessler, 2002). This study will contribute to the understanding of the role and extent that an employee's contract type has on the psychological bonds that exist between them and the employer.

The study further looks at the potential implications of the labour amendments introduced through the Employment Services Bill (2010) in South Africa. It is anticipated that this study will help put these amendments into perspective and help organisations gain more insight into their responsibilities and obligations with respect to the provisions of the said Bill.

6.7. Chapter conclusion

Given the depth and breadth of changes that have characterised the business and labour environments, the understanding of the bonds that hold employees and employers together has become critical. Understanding of these bonds in the employment relationship is more imperative in settings where the impact of such changes have been more profound. One such setting is the call centre environment. Based on this, this study set out to investigate the relationship between the psychological contract and organisational identification. Given that the study was conducted in a call centre setting, and temporary employment being one of the features of call centre work environments, the study also set out to investigate the moderating

role that employment contract type has on the relationship between the two constructs in a South African call centre workplace. In concluding the study, highlights of each of the chapters contained in this body of work are presented below.

Chapter 1 of the study started with an introduction and background to the research. A presentation of the motivation to the study, as well as the articulation of the objectives for the study was also given. A high level analysis of the work that has already been done by other scholars on the same subject matter of this study was briefly presented and the possible gaps reported.

Chapter 2 primarily focused on the literature review, which discussed at length the existing body of knowledge on all facets of this study and its set objectives. The chapter presented an analysis of literature on the psychological contract and the various facets of the construct. Among other things, the literature review on the concept included a presentation of how various scholars have defined the concept, a presentation on the types of the psychological contract, a comparison of the psychological contract to the formal contract of employment and a critique of the pros and cons of the concept. The significance of the psychological contract as a lens through which the employment relationship may be understood was also presented in this section. Literature on the organisational identification concept was also presented, from the definition of the concept, the conditions that promote employee identification with the employer, a critique of the benefits of identification and disidentification, to literature on the relationship between the psychological contract and organisational identification. The chapter ended with a review of literature concerning the Employment Services Bill (2010) and how its passing into law has prompted a discourse and debate around the labour dynamics in South Africa, particularly in relation to labour brokers and temporary employees. Overall, the chapter provided the context to the formulated research objectives of this study.

Chapter 3 reported on the research design and methodology adopted in this study. The descriptive and exploratory nature of the study was discussed in this chapter and all aspects that come with this type of quantitative study. In addition, the study sample as well as the sampling technique used to get the sample profile was presented. The measuring instruments that were used to gather data were also discussed. The reliability and validity scores of the study's measuring instruments based on literature from past research that used similar instruments were also reported in this chapter. The last parts of the chapter reported on the research approach, the ethical considerations that applied to conducting the research, and the data gathering process.

Chapter 4 reported on the results of the statistical analyses conducted on the gathered data.

Descriptive statistics were reported on the psychological contract and organisational identification scales, while at the same time reporting on the test scores of the reliability analyses conducted on both scales. The results showed that all of the scales' reliability scores were of acceptable levels, confirming that the scales could be used to investigate the concepts under investigation. Following the presentation of the results of the factor analyses conducted on each of the subscales, the results of the logistic regression analysis conducted were also presented. This included the logistic regression results obtained when the type of employment contract was applied to determine whether it moderated the relationship between the psychological contract and organisational identification.

Chapter 5 provided a discussion of the results presented in the preceding chapter, primarily focusing on answering the set research objectives and giving possible explanations for how and why the results came out the way they did. The discussion of the results in this chapter was done in relation to the literature that was presented in Chapter 2 of the study.

This research has shown that a relationship exists between the psychological contract and organisational identification at various levels. This relationship in turn has an influence on the extent of the psychological bonds that employees have with their employer. Both negative and positive consequences of the existence or non-existence of this perceived bond with the employer were discussed in this study. Where employees perceive that the employer has not met its obligations, the likelihood of them identifying with the employer increasingly diminishes. While most employers are increasingly moving towards flexible working arrangements such as temporary or contract work, this study has shown that the type of employment contract that an employee holds has little or no consequence to the relationship between the psychological contract and organisational identification. Temporary employees in call centres, it appears, aspire for the same types of commitments and inducements from the employer as their permanently employed counterparts.

Important lessons for the employer were also discussed given the labour amendments passed into law through the Employment Services Bill (2010) which further regulates the process of hiring new staff among other things. With all of these factors in mind, it is evident that for the foreseeable future, the business and labour environments will likely continue to be characterised by ongoing turmoil and change. These factors leave little choice for the employer but to strive to keep up with the pace of these changes and demands, to be agile and flexible in their approach of doing business and managing employees, and to pay more attention to the soft issues that evidently have a more significant bearing on the employment relationship.

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List of Annexures

ANNEXURE A: Request for research participation.

June 2015

Dear Participant,

This serves to enlist your participation in a Masters Research project. The research project is aimed at understanding the psychological bonds that exist between employees and their employers. These psychological bonds can be understood through examining two theoretical frameworks namely the psychological contract and organisational identification frameworks. The research project will in part gather information on the psychological expectations that employees have of their employer.

Your participation in this research project will be highly valued, but please read the following before you proceed:

1. Participation is voluntary.
2. The data gathered from the survey will only be used for the purposes of research.
3. The research project comprises of an online survey. The survey will be available for completion over the Month of May 2015. You will receive a link to the online survey.
4. Please complete all questions.
5. All information you provide will be treated with the highest level of confidentiality.
6. The research project consists of a battery of two research instruments that measure different facets of work that are related to the psychological bonds that exist between employees and their employers.
7. Once the research project has been completed, the results will form part of a full dissertation that will also be available online for your perusal.
8. It would be appreciated that you try to complete the entire questionnaire within one session.

Your willingness to participate in this research project is highly appreciated.

For any further queries or if you are interested in a summary of the results, please contact
Definite Mutendi (dmutendi@icas.co.za).

ANNEXURE B: Psychological contract scale and organisational identification scale.

EXAMPLE OF HOW RESPONSES SHOULD BE GIVEN:

Please answer the following questions by crossing [X] in the relevant box.

Please indicate your gender. If you are female, your response will be shown as follows;

☐

Male

☒

Female

QUESTIONNAIRE:

SECTION A: Biographical Information

1. Please indicate your gender

☐

Male

Female

2. Your ethnicity:

Black

White

Coloured

Indian Other

3. The type of your employment contract:

☐

Permanent contract

☐

Flexi-hours

4. Your job level:

Executive

Middle management

Non-management

Senior management

Junior management

Administration

Other (please specify)

5. The department in which you work:

6. Your highest level of education/qualifications:

Grade 12 or
less

Post-school
certificate
diploma

National
Diploma
National Higher
Diploma

Bachelor's
degree, Masters
or more

7. How many years have you been working here? Please indicate in the text box years.

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Section B: Relationship with Your Employer

Instruction:

Consider your relationship with your current employer. To what extent do you believe that your employer is obliged to provide you with the following?

Note: the scale ranges between 1 and 5; with 1 = Not at all obliged and 5 = Very much obliged.

		Not at all obliged				Very much obliged
1.	Advancement	1	2	3	4	5
2.	High pay	1	2	3	4	5
3.	Pay based on current levels of performance	1	2	3	4	5
4.	Training	1	2	3	4	5
5.	Long term job security	1	2	3	4	5
6.	Career development	1	2	3	4	5
7.	Support with personal problems	1	2	3	4	5

Instruction:

Consider your relationship with your current employer. To what extent do you believe that you as an employee are obliged to provide your employer with the following?

		Not at all oblige d				Very much oblige d
1.	Working extra hours	1	2	3	4	5
2.	Loyalty	1	2	3	4	5
3.	Volunteering to do non-required tasks on the job	1	2	3	4	5
4.	Giving advance notice if taking a job elsewhere	1	2	3	4	5
5.	Willingness to accept a transfer	1	2	3	4	5
6.	Refusal to support the organization's competitors	1	2	3	4	5
7.	Protection of propriety information. For example; Do you believe that you should protect your company's information?	1	2	3	4	5
8.	Spending a minimum of two years in the organization	1	2	3	4	5

Section C: Organizational Identification Scale

Instruction:

The following statements are about how you feel about your organization. Please read each statement carefully and decide how you feel about and perceive your organization.

Note: the scale ranges between 1 and 5; with 1 = strongly disagree and 5 = strongly agree.

Please choose a rating that best describes how you feel about your organization concerning each of the statements.

		Strong ly disagr ee				Strong ly agree
1.	When someone criticizes this organization, it feels like a personal attack	1	2	3	4	5
2.	I am very interested in how others think about this organization	1	2	3	4	5
3.	When I talk about this organization I usually say 'we' rather than 'they'	1	2	3	4	5
4.	The organization's successes are my successes	1	2	3	4	5
5.	When someone praises this organization, it feels like a personal compliment	1	2	3	4	5
6.	If a story in the media criticized this organization, I would feel embarrassed	1	2	3	4	5

Section D: Employer Violation

Instruction:

Consider your relationship with your current employer. How well has your employer actually provided the following in your opinion?

Note: the scale ranges between 1 and 5; with 1 = Not well at all, and 5 = Very well.

		Not well at all				Very well
1.	Advancement	1	2	3	4	5
2.	High pay	1	2	3	4	5

3.	Pay based on current levels of performance	1	2	3	4	5
4.	Training	1	2	3	4	5
5.	Long term job security	1	2	3	4	5
6.	Career development	1	2	3	4	5
7.	Support with personal problems	1	2	3	4	5

Section E: Employee Violation

Instruction:

Consider your relationship with your current employer. How well have you as an employee actually provided the following in your opinion?

		Not well at all				Very well
1.	Working extra hours	1	2	3	4	5
2.	Loyalty	1	2	3	4	5
3.	Volunteering to do non-required tasks on the job	1	2	3	4	5
4.	Giving advance notice if taking a job elsewhere	1	2	3	4	5
5.	Willingness to accept a transfer to another department	1	2	3	4	5
6.	Refusal to support the organization's competitors	1	2	3	4	5
7.	Protection of propriety information. For example; Do you believe that you should protect your company's information?	1	2	3	4	5

8.	Spending a minimum of two years in the organization	1	2	3	4	5
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Thank you kindly for your participation!

Annexure C: Letter requesting permission to conduct research.

UNIVERSITY OF JOHANNESBURG

FACULTY OF MANAGEMENT

25th January 2016

TO WHOM IT MAY CONCERN:

REQUEST TO CONDUCT RESEARCH

My name is D. Mutendi, a 3rd year Masters student with the University of Johannesburg (UJ). I am studying towards an MA degree in Employment Relations, a research qualification that falls within the auspices of the Department of Industrial Psychology and People Management (IPPM) under the Faculty of Management. Conducting an independent research exercise (relevant to the field of Employment Relations) which culminates into a full written dissertation is a basic requirement to acquiring the qualification.

For your convenience, this write up gives an overview of the intended research exercise. The research exercise is intended to explore the psychological bonds that exist between employees and their employers. The study is premised on the observation that the work environment and labour relations are changing. Today's competitive business environment dictates that organizations continue to innovate and set new standards for service delivery to a customer base that is increasingly becoming demanding. To achieve this, organizations need to rely on, and get the most out of their human capital who have increasingly become the key drivers of organizational success. The traditional means of motivating employees such as financial rewards and strict supervision practices are no longer sufficient in ensuring

that employees give their all. Even the legal employment contract is considered to have limitations in guaranteeing employee commitment. It is for these reasons that the proposition by some academics is that in addition to the formal employment contract, organizations also need to look at the soft, implicit issues that influence the employment relationship.

Two frameworks are useful in understanding these soft and implicit issues. These are the psychological contract and organizational identification frameworks. Both can help the organization understand the bonds that exist between employees and their employers. They can also shed light on what employees expect of their employer and vice versa. From past research, it has been established that there are several organizationally desirable outcomes when employees have positive psychological bonds with their employers.

Some of the documented outcomes of positive psychological contracts and high levels of organizational identification by employees are increased employee satisfaction and commitment, increased loyalty and positive business performance. By keeping tabs on these two concepts, it is possible for an organization to monitor and manage the priorities and attitudes of employees that have a bearing on the outcomes stated above.

Study Objective:

The study seeks to investigate the relationship between the psychological contract and organizational identification, and whether this relationship is moderated by the type of employment contract that an employee holds.

Value Proposition for the Organization:

Should my submission be approved by your office, I am confident that the research exercise will also be of significant benefit to your organization. Below are just a few pointers of what the organization can expect as an outcome of the survey. These pointers should however not be considered exhaustive at this stage as I am willing to accommodate any other needs that the organization may have.

- Not only will it be possible to make inferences on the levels of organisational identification from the survey, it will also be possible to show any variations that may exist across the various demographics.
- The results of the survey may provide strategies that the organization can put in place in order to address any factors identified from the study that may not be desirable to organizational performance.
- Because of the role that those in line management play in the optimal functioning of the business, it is important to ascertain from the results of this study what form of

support and training they may need. This can be determined not only from the responses of supervisors and managers, but also responses from the employee population. The outcome of this survey can identify areas of further training for line management given that the exercise will shed light on what employees expect of their employer.

I hope that your office will favorably consider my submission. Since the information I have given above is only a snapshot of the research exercise, please do not hesitate to let me know should you require that I provide additional information. I have also included below the details of my UJ study supervisor who is also available to answer any questions that you may have.

Yours Sincerely,

D. Mutendi

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